Daily Report

East Europe

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Karadzic Threatens To Leave New York Talks

LD2403021393 Belgrade TANJUG in English 0104 GMT 24 Mar 93

["Pool" item]

[Text] New York, March 23 (TANJUG)—Bosnian Serb leader Radovan Karadzic on Tuesday [23 March] [word indistinct] that the Serb delegation might leave the third round of peace talks on the former Yugoslav Republic of Bosnia-Herzegovina because the Moslem side was not ready to negotiate and evidently did not care for peace.

Karadzic told journalist that he had informed about this cochairmen of the conference on former Yugoslavia Cyrus Vance and Lord David Owen and that they had approved.

"We can stay here this evening and tomorrow," said Karadzic.

"We are not leaving the conference. We will be back when there is need for that," he said after meeting with Vance and Owen.

Karadzic on Tuesday sent a letter to Vance and Owen and to the United Nations Security Council in which he asked that Izetbegovic be brought to the negotiating table because the talks were otherwise doomed for failure.

Karadzic said that, if he returned to the talks, he would ask the internaitonal community to adopt a more balanced approach towards all sides to the conflict and stop exerting pressure on the Serb side alone.

"As long as only the Serb side is being pressured, the Moslems and the Croats will not be motivated to stop fighting," said Karadzic.

Karadzic Urges Talks With Bosnian Croats, Muslims

LD2303211493 Belgrade TANJUG Domestic Service in Serbo-Croatian 2030 GMT 23 Mar 93

[Text] New York, 23 Mar (TANJUG)—Radovan Karadzic, leader of the Bosnian Serbs, asked on Tuesday [23 March] that representatives of all three warring sides at the peace negotiations on Bosnia meet "face to face" to get the negotiations moving. "The Serb delegation demands and expects that representatives of the Bosnian Muslims will join the negotiating table to find a serious solution to conflicts," says a letter which Karadzic sent to the UN Security Council and international mediators Vance and Owen.

"The Bosnian Serb delegation maintains that the negotiations within the framework of the peace conference on former Yugoslavia have stalled and that they have ceased to serve any meaningful purpose," the letter states. "The negotiations are in serious difficulties and there will be no progress unless all three sides talk 'face to face' at the negotiations," Karadzic writes.

He added that the Muslim side, if it is really interested in peace, should agree to direct negotiations. "If they reject direct negotiations with Serb representatives, it will become clear that they are not really interested in a peaceful and feasible solution on the territory of former Yugoslavia," the letter says.

The Serb delegation expects that, the leader of the Bosnian Serbs adds, the two cochairmen will urge the Muslim side to sit at the same negotiating table.

Following several days when no progress was made, the negotiations have made at least a formal step forward today. Vance and Owen had two-and-a-half hours of talks with Mate Boban and they are due to meet Karadzic and Izetbegovic this afternoon.

Boban said that they discussed a transitional government, which would be formed following a possible signing of the peace plan. He said he agrees with the Muslim and Serb demand that an eight-member strong government be formed apart from the nine-member strong Presidency.

"We have eliminated that problem," Boban said. "I do not know what other problems the other two sides will come up with, but I know that they will."

Karadzic: UN 'Instrument of Pressure' on Serbs

AU2303201093 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 23 Mar 93

[Statement by Radovan Karadzic, president of the Serbian Republic of Bosnia-Herzegovina, on the Security Council session discussing the enforcement of no-fly ban in Bosnia-Herzegovina, in New York; date not given—recorded]

[Text] This is yet another measure of escalating clashes, yet another measure of pressure on Serbs, a one-sided measure of pressure on Serbs. Even though the Serbs are not violating the resolution on the ban on flights, even though it is certain that this is being done by others on a daily basis, so to speak, this is nevertheless something we are awaiting with a great deal of reservations, that is to say we are strictly opposed to this. This could destroy this conference, because I am not sure whether our assembly will allow us to continue participating in the conference considering that we have been subjected to one-sided pressure and threats and considering that the international community, that is, the Security Council, and the United Nations have become an instrument of pressure on Serbs just as the League of Nations, the Association of Nations, was before World War II in the service of only one power.

If this resolution is indeed adopted, this will certainly not help the talks here. On the contrary, it could lead them to an impasse or put a stop to them altogether. If the Serbian Assembly decides that we should withdraw from the conference, and that we should return to the conference only when all one-sided measures have been

dropped, including the sanctions against Yugoslavia, then we will leave the conference and ask the international community to recognize our state.

Karadzic To Meet Press on Talks Position

LD2403103693 Belgrade TANJUG in English 0950 GMT 24 Mar 93

[Text] New York, March 24 (TANJUG)—Bosnian Serb leader Radovan Karadzic said he would have a press conference on Wednesday [24 March] to clear up the misunderstanding with the international mediators on the former Yugoslavia, Cyrus Vance and Lord David Owen, on whether the third round of New York talks about the war-ravaged former Yugoslav Republic of Bosnia-Herzegovina was over or to continue.

After the talks with the mediators, Karadzic told reporters he had been told he could go home and said he would leave Tuesday night or Wednesday.

"We are not leaving the conference, we shall come back when it is necessary," Karadzic said after the talks with Vance and Owen.

American TV, however, said Karadzic was leaving the talks, after which Karadzic protested with the mediators and called the press conference.

Owen confirmed Karadzic's claims. He said Karadzic had been told there was no point in negotiating.

Lord Owen did not explain how come Bosnian Moslem leader Alija Izetbegovic was not being sent home when he had not changed his stands either, although the mediators had gone to talk to him at his hotel several times.

On Tuesday night, however, Owen said the talks were to continue Wednesday.

A meeting with Izetbegovic and Bosnian Croat leader Mate Boban was scheduled for Wednesday afternoon, as Owen said, to discuss Bosnia-Herzegovina interim government.

He added he had not expected all three sides to sign the Vance-Owen plan on Bosnia-Herzegovina. That is why the mediators hoped at least the Moslem side would sign the document, as Croats had agreed to it in Geneva.

After that, Serbs would have to sign the document under international pressure.

Asked how long peace could last if it were imposed by force and against the interestes of one nation, Owen said peace could not be imposed by force, but the signing of the document could be pressed.

During the third round of talks, the international mediators urged Moslems to sign their plan, so that Bosnian Serbs could be blamed for the failure of the negotiations.

Izetbegovic and Owen talked for a second time Tuesday night, but the Moslem leader declined to comment.

Some improvement has been made, but the signing is still not in sight, Izetbegovic's ambassador to the U.N. Muhammadd Sacirbej said.

All three warring factions in Bosnia-Herzegovina signed the first two documents of the Vance-Owen peace-plan for Bosnia-Herzegovina—the constitutional principles of the future state and the agreement on the cessation of hostilities. The Moslems and Serbs, however, refuse to sign the third part of the plan concerning territorial division of Bosnia-Herzegovina into ten provinces.

Izetbegovic Talks With U.S. Envoy Bartholomew

LD2303235093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2300 GMT 23 Mar 93

[Report from New York by Ivica Misic]

[Excerpt] President Izetbegovic has had a phone conversation with Bartholomew, the U.S. special envoy to the Bosnia-Herzegovina negotiations, on open questions obstructing the path of signing the peace agreement. As far as the Bosnia-Herzegovina delegation is concerned, following mediation by the U.S. side, some aspects of the control of state borders have remained open, while other questions have already been discussed and brought to the level of acceptability. President Izetbegovic and Foreign Minister Silajdzic are to meet Bartholomew this afternoon, and following that meeting the two will meet for the first time in four days with cochairmen of the conference Vance and Owen, after which the situation as regards the final signing of the agreement will most probably be much clearer. [passage omitted]

'Satisfying Solutions Might Be Reached' in New York

AU2303211093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 23 Mar 93

[Report by Mujo Delibegovic from New York]

[Text] As I have already reported, the situation at the New York peace talks on Bosnia-Herzegovina is changing nearly by the hour. Therefore, since my last dispatch and after intense diplomatic activities between [U.S. envoy in the talks] Bartholomew and [leader of Bosnian Croats] Boban, Izetbegovic [president of the Bosnia-Herzegovina Presidency], and the Bosnia-Herzegovina delegation, which lasted almost the entire night, there are indications that satisfying solutions might be reached nevertheless.

The way things stand at the moment only one of the key issues remains uncoordinated, although we must take this with reserve, as the talks continue, which means that unpredictable situations can also arise. We have learned that UN Secretary General Butrus-Ghali is preparing a final report about the peace talks on Bosnia-Herzegovina for the UN Security Council that will also include the

latest agreement, which our delegation hopes will nevertheless be signed. The UN Security Council is supposed to study this report very quickly after which it would be definitely known in what way the international community will implement the endorsed plan.

Just before sending this dispatch, I have learned that Catherine Lalumiere, secretary general of the Council of Europe, informed Foreign Minister Silajdzic that by a decision of the Council of Ministers, Bosnia-Herzegovina had been invited to participate in two important bodies of this council as a guest. She also expressed readiness to realize various forms of Bosnia-Herzegovina's participation in education and culture programs. She informed us that the Council of Europe passed a sharp resolution condemning the crimes committed against women and children in Bosnia-Herzegovina.

To conclude this dispatch, let me say once more that last night in New York was, regarding President Izetbegovic and our delegation, diplomatic in the true meaning of the word. After all this the situation could become clearer today, before the plan is finally embraced and signed. It remains for us to wait and see.

CEI Foreign Minister Issue Concluding Statement

LD2403055093 Budapest MTI in English 1548 GMT 23 Mar 93

[Text] Budapest, March 23 (MTI)—Winding up a Central European Initiative [CEI] foreign ministers' conference on Tuesday [23 March], the participants issued a declaration. Below we carry the text of the document.

"We, the ministers for foreign affairs of Austria, Bosnia-Herzegovina, Croatia, the Czech Republic, Hungary, Italy, Poland, the Slovak Republic and Slovenia, member states of the CEI, at our regular meeting held March 22-23, 1993 in Budapest

—Declare that the heads of our respective governments, having considered favourably the requests of the Czech Republic and the Slovak Republic for membership of the CEI which were submitted on 5 February 1993 by the representatives, accept both republics as members of the initiative as from 1 January 1993, so ensuring the continuity of their participation in the activities of the CEI,

—Express our commitment to strenghtening the role of the CEI as a specific form of regional cooperation in promoting the process of stabilization and integration in Europe through:

—A pragmatic approach to strengthening economic relations, with special emphasis on assisting to develop market economy by the countries in transition and on bringing about closer collaboration among themselves and their future integration in the European Community,

—Intensifying political consultations, in accordance with the responsibility of the member states for the future of our region and Europe as a whole,

- Follow with increasing anxiety the developments in the Russian Federation which could lead to a serious deterioration of the situation in Russia and have negative repercussions in Europe and in the world, express our full solidarity with the democratically elected President Boris Yeltsin, with the transformation efforts undertaken by the Russian Government and the forward-looking forces of the country in their struggle for the continuation of the reforms in full respect of democratic principles and fundamental liberties, express the wish that the industrialized countries undertake an initiative for an effective program of economic support for the reform process in Russia.

(We) express our dismay at the continuing war in Bosnia-Herzegovina and especially the renewed Bosnian Serb offensive against east Bosnian towns, strongly condemn bombing raids in blatant violation of Security Council Resolution 781/92 as well as the prevention by Bosnian Serb forces of humanitarian assistance reaching their destination, thus endangering the lives of thousands of innocent civilians, deeply concerned by the threat of spillover of the conflict to other areas, advocate a political resolution of the crisis, within the framework of an overall agreement acceptable to all parties concerned that would respect the inviolability of borders and the territorial integrity and sovereignty of Bosnia-Herzegovina and ensure the full protection of human and minority rights, appreciate and support the international efforts to reach a political solution, especially the proposals put forward by Lord Owen and Mr Cyrus Vance and included in the relevant UN Security Council resolutions, welcome the decision of the US Government to be actively and directly engaged in the negotiations on the crisis and to consider serious actions to increase political pressure on Serbia and Montenegro including the tightening of the enforcement of economic sanctions, welcome the inclusion of the Russian Federation in the process of devising a solution, and monitoring and guaranteeing the agreements to be reached, consider military action within the framework of UN resolutions to be a possible ultimate means for putting an end to the war and enforcing relevant UN resolutions, condemn war crimes committed on some territories of former Yugoslavia, including ethnic cleansing and support the UN Security Council resolution concerning the establishment of an international tribunal for the prosecution of persons responsible for the serious violation of international humanitarian law committed in the territory of the former Yugoslavia after 1 January 1991." [paragraph as received]

Foreign ministers pledged their support for "efforts by the UN Security Council and Croatia to conclude an agreement on the extension of UNPROFOR's [UN Protection Force] mandate that would give UNPROFOR the full authority to enforce all the provisions of the UN

peace plan ("Vance plan") in Croatia as well as provisions of all relevant UN Security Council resolutions, thus ensuring peace and restoration of sovereignty of Croatia throughout its territory and enabling the full implementation of international commitments and the national legal acts on human and minority rights in the whole territory of the country."

Conference participants also looked at minority issues, agreeing with Hungary's proposal for a separate conference this year, under CEI auspices, on the situation for minorities.

As regards the future of the CEI, conference participants again confirmed the open nature of the regional cooperation, and its readiness to establish relations with other regional groups.

In the spirit of openness, the CEI foreign ministers noted with appreciation the interest shown by Belarus, Bulgaria, Romania, and the Ukraine in participating in this cooperation. In this context, they decided to invite experts from the countries concerned to the sessions of the working groups, and for political consultations.

Foreign ministers saw with interest a renewed CEI membership application submitted by Macedonia. They decided to have this issue discussed by national coordinators at their next meeting.

They proposed to hold the Budapest CEI summit on July 16-17. Foreign ministers' next session in Hungary is on November 19.

Afterwards, the CEI foreign ministers detailed results at a Tuesday afternoon parliamentary press conference.

Hungarian Foreign Minister Opens CEI Conference

LD2303150993 Budapest MTI in English 1139 GMT 23 Mar 93

[Text] Budapest, March 23 (MTI)—Foreign ministers of the Central European Initiative (CEI) began their conference in Budapest today, Tuesday morning [23 March].

It was attended by Alois Mock of Austria, Josef Zielenec of the Czech Republic, Zdenko Skrabalo of Croatia, Krzysztof Skubiszewski of Poland, Emilio Colombo of Italy, Jozef Moravcik of Slovakia and Lojze Peterle of Slovenia.

Also attending was the European Bank for Reconstruction and Development (EBRD) Deputy President Miklos Nemeth, however no delegation from Bosnia-Herzegovina arrived.

In his opening address, Hungarian Foreign Minister Geza Jeszenszky, who currently holds the rotating CEI presidency, spoke on the challenges facing Europe.

These included the European Community decision on Maastricht, Russia's fight between democratic and reactionary forces, which seemed to be near an end, and Bosnia-Herzegovina, the region's greatest tragedy, now at a turning point.

Jeszenszky said Hungary had a vested interest in a quick solution to the Bosnian conflict, because of its geographical proximity, the economic damage caused by UN sanctions and a 100,000-strong ethnic Hungarian community in the region.

Jeszenszky recalled that Hungary had been among the first to warn of growing tension along its southern border, which later become an element in another shameful genocide of the 20th century.

Hungary believed the international community must assert a refusal to acknowledge the violent taking of territories and any positions resulting from ethnic cleansing.

Jeszenszky hoped Russia's contribution to resolving the conflict would speed up the settlement process.

As a long-term aim, Jeszenszky envisaged creating a politically and economically strong unified Europe, but warned this may not be achieved without Central Europe catching up with the rest of the continent.

Being behind the rest of Europe, he said, would strengthen nationalism and Western Europe would also be affected. On the other hand, central European countries had to observe principles of Western democracy and a market economy.

Central-European regional cooperation has from the start had a priority in Hungary's foreign policy, Jeszenszky stressed.

This can be seen in Hungary's proposal for a conference on national minorities under the auspices of the CEI.

Finally, Jeszenszky said economic cooperation by CEI members was expected to yield several practical results this year.

After the opening, the foreign ministers continued the conference behind closed doors. A press briefing will be held Tuesday afternoon.

Czech Republic, Slovakia Admitted to CEI

LD2303215593 Prague CTK in English 2000 GMT 23 Mar 93

[Text] Budapest March 23 (CTK)—The Czech and Slovak Republics, as two successor states to the former Czechoslovakia, were admitted as full-fledged members to the Central European Initiative (CEI) at a meeting of CEI foreign ministers which ended here today.

The CEI, which promotes regional cooperation, comprises Poland, the Czech Republic, Slovakia, Hungary, Austria, Italy, Slovenia, Croatia, and Bosnia-Herzegovina.

In his speech at the plenary session the Czech foreign minister, Josef Zieleniec, said it is in the Czech Republic's vital interest that political and economic stability in the European region is maintained. He directed attention to illegal immigration in Europe which represents a very urgent problem. Zieleniec also pointed to ethnic minorities' problem.

Slovak Foreign Minister Jozef Moravcik said in his address that Slovakia's goal is full integration into European structures. Bratislava thus seeks good relations with all its partners, he stressed. Like his Czech counterpart, Moravcik voiced support for the Russian President Boris Yeltsin's reform programme.

Zieleniec met here today his Hungarian counterpart Geza Jeszenszky to discuss the two countries' relations and the problems connected with east European countries' integration into European structures.

He told journalists after the meeting that the Czech Republic and Hungary hold the similar view that each east European country should be admitted to European structures separately, when it is sufficiently ready for it.

Jeszenszky said at a press conference that not even Western Europe is fully prepared for coexistence with eastern and central Europe, adding that a dialogue between eastern and Western Europe should go both ways.

Both ministers said Slovakia was not discussed during their meeting.

Fur Reacts to Czech Stand on Visegrad

LD2303100593 Budapest MTV Television Network in Hungarian 0630 GMT 23 Mar 93

[Text] Hungary and the Czech Republic will soon sign an agreement on defense cooperation. In Prague, Defense Minister Lajos Fur, who among others agreed on this, has also discussed the relationship between Visegrad states with his Czech counterpart, Antonin Baudys.

[Fur] Although they think cooperation between the Visegrad states is right, they want to build it on bilateral relations, that is, not on trilateral or institutional forms. They want to carry on with the relations of the Visegrad Three on the basis of close bilateral cooperation between the partners. Otherwise they are ready to coordinate views over several issues. For example, it is conceivable that Hungary, the Czech Republic, Poland, and perhaps Slovakia will come up with some joint concept at the NATO Coordination Council in Brussels next Monday [29 March].

Czech, Slovak Foreign Ministers Review Problems

LD2303233693 Prague CTK in English 2130 GMT 23 Mar 93

[Text] Budapest March 23 (CTK)—The Czech and Slovak foreign ministers, Josef Zieleniec and Jozef Moravcik, met here today to review the basic problems in relations between the Czech and Slovak Republics.

After their meeting, the first since their republics became independent at the beginning of the year, Zieleniec and Moravcik told journalists they had mainly discussed the problem of the Czech-Slovak border, coupon privatisation and division of the property of the former Czechoslovak Federation.

The ministers agreed that their ministries would thoroughly analyse all Czech-Slovak problems and then decide on their solution. This should prevent the accumulation of disputes, the ministers said.

Zieleniec said that his meeting with Moravcik was a good start in efforts to bring Czech-Slovak relations to a level envisioned in the Czech-Slovak agreements signed before the Federation's split at the end of 1992.

Both sides seem to be interested in halting their further estrangement, Zieleniec said.

Zieleniec and Moravcik attended in Budapest a two-day session of the Central European Initiative's (CEI) foreign ministers, which ended today.

Italian Police Detain 28 Albanian Stowaways

AU2303184293 Tirana ATA in English 1114 GMT 22 Mar 93

[Text] Tirana, March 22 (ATA)—On March 21, the freighter "Expresso Venice" brought back 28 clandestine Albanians at Durres port. They were intercepted in the evening of March 20 by the Italian authorities at Bari port.

The 28 clandestine Albanians had been shipped by the fishing boat "Dali Lala." This shipping had been organized, according to the Durres police records. The clandestine Albanians had been hidden in the boat from March 17-19. Later, unable to leave the port, they were sent by a mini-bus to a village of Kavaje by the captain of the fishing boat and then they were taken on the ferry at night. The difficult conditions of navigation and the fog prevented the ferry to arrive at Bari port, making it idle for about 15 hours near the Italian seacoast, where they were intercepted. According to the clandestine Albanians, they had paid the crew 1,5 million leks each. Almost all of them were from Kavaje.

Two other fishing boats from Vlore, transporting clandestine Albanians, were also intercepted. The 18 persons were brought back.

Meksi Views Cabinet's Work To Apply Reform

AU2303195093 Tirana Radio Tirana Network in Albanian 1430 GMT 23 Mar 93

[Interview with Prime Minister Aleksander Meksi by Zamira Koleci; place and date not given—recorded]

[Text] [Koleci] Mr. Prime Minister, the pluralistic elections held a year ago placed the Democratic Party at the head of the country. For more than a year that the government you head has been carrying out its own program. What problems have been at the center of your cabinet's attention to apply this program, when it is known that it has simultaneously faced numerous difficulties?

[Meksi] The situation in which the government inherited the country's economy was catastrophic with the 80-percent law, the destruction of many enterprises, plants, and the complete suspension of work in most of them. We have achieved a series of results with the reform, starting with the policy on prices, fiscal policy, the banking policy, and others, as I do not want to deal long with this. Its results have been evident in the impetus given to the agricultural production, the resumption of work, etc. During this year that has just started, work has started in more than 4,000 apartments. Until the end of the year, work will start in some 5,000 others, in which work has so far been suspended. Their total figure is about 13,000. Work has resumed in Banje Hydropower Station, and it will be further intensified. Work will soon start on roads. As a result of Albania's fiscal policy everywhere in the world, a part of the price of petroleum and gasoline will directly pass to roads and [words indistinct], because they are precisely those who use the roads. They have the right to request this. We will start with three projects: the north-south road; the Tirana-Durres road, in which the World Bank will also participate; the Durres-Elbasan-Prrenjas-Pogradec road, in which the World Bank will partly participate, etc. Of course, we hope to have investors to intervene in tourism, as we are awaiting a decision by the European Bank on the financing and cofinancing. The EBRD [European Bank for Reconstruction and Development] participation in this project on hotels, such as the Tirana Hotel section, enlargement of Dajti Hotel, and the hotel near us by the well-known Austrian firm Roger. A number of factories are being constructed and have resumed work. With the privatization, which is the other aspect of the economic reform, there was a blockage concerning the Law on Property. So, by freeing it, we will resolve the question of privatization. We think that at least with the light and food industry, which are the industries that promise a future in Albania, we will be able to see improvements, alongside the increase of the agricultural production itself. They themselves will be put into motion by being privatized, by receiving investments, as the private indutries can be given more than the state industries. Another field is that of energy, [words indistinct], telecommunications, ports, in which there will be investments. We have a two-year program on telecommunication and the port from the Kuwaiti Fund. Another field is that of chromium and copper, in which investments are also expected from the European Bank, the Saudi Arabia Bank, and Vienna's Creditanstalt Bank for copper and its waste products. Other investments we can mention those that are expected to be made in petroleum and sea researches. We are soon awaiting a final decision on the land. The Albanian constructions continue also on intervention in land, which will be regulated on the basis of the auctions and tenders made in London and Houston. [sentence as heard]

[Koleci] The half century of isolation Albania survived was substituted within a year with its opening and integration to the world. Mr. Meksi, what are the results of your government in this respect?

[Meksi] During this year Albania has opened up beyond anyone's imagination. We have decided to establish relations as much as possible with the states that are natural and political partners of Albania, such as the United States, the EC countries, and all those countries we share common interests with reciprocal profit. On the other hand, we have tried to maintain good relations with the countries of the Islamic world and other neighboring countries. You know that we have abolished visas for a series of countries, such as the EFTA and EC countries, for such countries as Bulgaria, Turkey, etc., and other countries as Canada. Perhaps we will do this for Japan in the future, enabling us to have these partnerships. Our policy has been open, a policy of bilateral relations, aiming at developing them in an economic and political level on the basis of the interest

or (?profit) from the sides that establish these relations. These are polices natural for a democratic government, and we have tried to proceed in this direction. Of course, the results depend on both sides and cannot be achieved at the same time. I say that these results have been extraordinary.

[Koleci] An important part in the program of the government you lead is occupied by the national question. What are the results of this concern of the Albanian Government?

[Meksi] The government has worked to solve the national question fairly, which of course cannot be achieved within a day or year. We have tried to mobilize all our political partners, all international institutions in which the Albanian Government has represented itself and participated, and we have spoken in all the meetings held to internationalize the Albanian national question, the question of Kosovo, and not to allow the conflict in the present Yugoslavia extend to Kosovo and Macedonia, in which a great part of the population is Albanian. We can say that we have achieved results about this. I hope that the last statement by Bush and later that of Clinton and the U.S. Administration, and that of NATO, are testimonies that show that the policy and efforts of the Albanian Government are taken into consideration.

Assembly Discusses Bill on Basic Human Rights, Freedoms

AU2303202293 Tirana ATA in English 1857 GMT 23 Mar 93

[Text] Tirana, March 23 (ATA)—On March 23, the People's Assembly continued discussing in principle the draft-law on the fundamental human rights and freedoms.

This week the People's Assembly closed its proceedings for the deputies to celebrate the day of Greater Bairam. It will continue proceedings on March 29 afternoon.

Minister Hoxha Assesses EFTA Delegation's Visit

AU2303202493 Tirana ATA in English 1907 GMT 23 Mar 93

[Text] Tirana, March 23 (ATA)—In the context of the first meeting of the EFTA-Albania Joint Commission, a delegation of this organization arrived in Albania. It consists of this organization's member countries and its secretariat. The delegation is headed by the Swedish ambassador Stanislav Patek.

On March 23 the first meeting of the EFTA-Albania Joint Commission was held in Tirana. In an interview with the Albanian television, the Minister of Foreign Trade and Economic Relations Artan Hoxha said that this meeting is a continuation of the signing of the cooperation agreement between Albania and EFTA. It also is of a specific importance as it opens a phase of negotiations and assistance of EFTA in creating all the structures of free market in Albania. We are discussing possibilities for a broad cooperation in this field and observe a great concern on the part of the EFTA member countries in helping Albania. We will continue to especially discuss EFTA's technical assistance and financial aid in realizing a program for the development of trade and encouragement of exports in Albania.

Former Owners Request Abrogation of 1991 Land Law

AU2303183693 Tirana ATA in English 1117 GMT 21 Mar 93

[Text] Tirana, March 21 (ATA)—The owners expropriated by the savage communist dictatorship from far and wide Albania sent a petition to the People's Assembly. They demanded abrogation of the notorious Law on Land No. 7,501, dated 19 July 1991, endorsed by a parliament which the people forced to dissolve on March 22, 1992 elections. This is a non-democratic law and denies the right of the legitimate owner. It is a communist law refuted by the people themselves. We demand a new law, which recognizes the right of owner on ownership. The compensation the government has planned for the legitimate owners should be given to the landless peasants. The draft law which foresees the return of buildings and territories is framed in cooperation with the National Agency of Privatization and is intended to justify the deals of this agency to the detriment of the legitimate owners. We demand the abrogation of this law and a law framed in cooperation with the experts of the Expropriators' Association Ownership With Justice. In the event that our rights are trampled underfoot as done so far, we will be forced to launch an all national strike of hunger and the toll of strikers is incalculable.

New Parliamentary Group Issues Political Declaration

AU2303190693 Sofia BTA in English 1847 GMT 23 Mar 93

[Text] Sofia, March 23 (BTA)—National Assembly Chairman Aleksandur Yordanov today officially declared the formation of a new parliamentary faction, the New Democratic Union. 18 MP's [members of parliament] filed a request to register the group two weeks ago. Some were expelled from the SDS [Union of Democratic Forces] after they backed the Lyuben Berov cabinet late last year and others left the parliamentary SDS.

The faction released a political declaration today.

The point of real decommunization is to set civilized rules for citizens and create a modern, impartial justice system to pass just sentences on perpetrators of past and present crimes, the declaration says.

The new faction speaks for speeding up the structural reform and privatization, with various preferences.

The New Democratic Union will support the cabinet, the declaration says. To stop the plunder of state property, hidden privatization and party, labour and corporate lobbying, the group recommends that the executive works out firm and clear-cut rules in administrative and economic life. "We are not going to allow a Latin American scenario in the life of our children," the MP's say.

World Bank Mission Arrives To Discuss Energy Industry

AU2303185293 Sofia BTA in English 1806 GMT 23 Mar 93

[Text] Sofia, March 23 (BTA)—A mission of the World Bank and the International Energy Agency will discuss the development of Bulgaria's power engineering until the year 2010 with Bulgarian experts from March 23 to April 1.

The experts will discuss a draft report drawn up by the World Bank in several versions, based on different projections for energy consumption in this country.

Bulgaria is represented by Lyulin Radulov, chairman of the Power Engineering Committee; Dyanko Dobrev, chairman of the National Electricity Company; and experts of the two institutions.

Berov Dismisses Religious Director

AU2403093693 Sofia BTA in English 2014 GMT 23 Mar 93

["Today"—BTA lead]

[Excerpts] Sofia, March 23 (BTA)—[passage omitted] At a meeting with Deputy Prime Minister Valentin Karabashev today, Istvan Szigeti, MP [member of parliament] from Hungary, and Imre Bogar, mayor of Zalaegerszeg, proposed that Bulgaria swap its debt to Hungary to the amount of 76 million transferable rubles for equities in the tourist industry, the Government Press Office told BTA. Mr. Karabashev said that under the effective legislation, Bulgaria can cover its trade deficit only through export of commodities.

Ships under different flags are sailing along the Danube in both directions, Vladimir Zubarev, chief of the State Shipping Inspectorate in Vidin (northwestern Bulgaria), told BTA. The water level is normal. Zubarev denied a report that the Serbian authorities had threatened to lower the water level through the sluice Djardap 2. He said he had not been informed of such threats.

Metodi Spasov, head of the Directorate for Religious Faiths with the Council of Ministers, was dismissed by order of Prime Minister Berov today, the Government Press Office said. Mr. Spasov was against Bulgarian Patriarch Maksim, appointed in the period of the communist regime, and supported Khristofor Subev, a radical clergyman and MP of the Union of Democratic Forces, in the struggle for domination in the Holy Synod.

The extraparliamentary Green Party supports President Boris Yeltsin in his struggle against the conservative and Stalinist remnants of the CPSU at all levels of government, the party's deputy chairman Vladimir Sotirov told a news conference today. We approve Yeltsin's initiatives for the continuation of the democratic process and the economic reform in Russia, Sotirov said. In the last two days Bulgarian President Zhelev, the government and the major political forces voiced their support for President Yeltsin. [passage omitted]

Twenty-one Bulgarian journalists have attended the training courses organized by Reuters Foundation in the last two and a half years. Stephen Somerville, director of the foundation, and Reg Watts, programme director, told a press conference here today. This is the first visit here by high-ranking representatives of the foundation. They have come to familiarize the Bulgarian media with the foundation's work. The guests presented "The Power of News. The History of Reuters," recently brought out in Britain, at the Faculty of Journalism of Sofia University this afternoon.

Chief Mufti Fikri Salih addressed the Muslims in Bulgaria on the occasion of Ramadam Bairam which starts tomorrow. In the address received at BTA today the chief mufti wishes the Muslims to pray to Allah in these sacred days to protect and rally them and to endow Bulgaria with peace and understanding.

The Ministry of Agriculture has set itself the task to privatize this year 24 enterprises in pig and poultry breeding, grain processing and hothouse vegetable growing, a representative of the Ministry of Agriculture said at a press conference today.

The National Coordinating Council of the Union of Democratic Forces (SDS), the supreme leadership of the SDS, came out with a special declaration expressing its condolences to the bereaved families of the five people killed in the accident at the Dunarit Company in the village of Nikolaevo (northern Bulgaria), some 10 km from the city of Ruse last week. The National Coordinating Council of the SDS believes that the government should take urgent measures for improving the conditions of work and security at the enterprises of the military industrial complex.

Today the leadership of the parliamentary faction of the Bulgarian Socialist Party (BSP) held talks with the leaders of the Confederation of Independent Trade Unions (KNSB). The two sides discussed parliament's legislative work, it was announced at the regular press conference of the Socialists this afternoon. They reached the conclusion that parliament's legislative work is impeded by imperfections in most of the bills moved in parliament. The KNSB leaders have already met the leadership of the parliamentary group of the ethnic Turks' Movement for Rights and Freedoms. They are also to meet with the recently established fourth parliamentary group that split from the SDS. The KNSB has also proposed a meeting with the parliamentary faction of the SDS.

Today the National Coordinating Council of the SDS discussed the demands of the National Trade Union and the Association of Democratic Trade Unions, SDS leader Filip Dimitrov told the press. These two trade unions split from the Podkrepa Labour Confederation. They insist to be included in the distribution of the confiscated property of the former official trade unions and in collective labour negotiations at different levels. According to these two trade union amalgamations, the right to association of the citizens and to freely negotiate major labour issues are being violated in this country. The National Coordinating Council of the SDS will oppose such tendencies, Mr. Dimitrov said.

Dismissing the Supervisory Board of Kintex, the state-run arms trader, the government seeks to cover up abuses, Vasil Mikhaylov, MP of the SDS and leader of the SDS-affiliated New Social Democratic Party, told BTA, commenting on yesterday's cabinet decision. The dismissed Supervisory Board will file a suit against former boss Anton Saldzhiyski, now member of the board of directors, Mr. Mikhaylov said. According to him, Mr. Saldzhiyski is responsible for the firm's dire straits. Prior to the Supervisory Board, last Friday the cabinet dismissed the Kintex Governing Board. The MP said the Governing Board foiled deals for over 10 million dollars, allocated over 20 percent of profits for marginal spending, failed to collect over 10 million leva from Bulgarian customers, lost old markets, and failed to capture new ones.

In a declaration, the local SDS in Plovdiv, southern Bulgaria, denounced the course towards recommunization in Bulgaria taken by Prime Minister Lyuben Berov and the cabinet, under the now overt guidance of the BSP, and the unscrupulous political purges on all levels. The declaration was delivered by representatives of SDS sympathizers who rallied in front of the Council of Ministers headquarters. The rally protested against the "illegal dismissal by the cabinet of Plovdiv Regional Governor Stefan Stoyanov and his replacement by Armenak Kantaryan, who has proved his loyalty to the BSP and the Podkrepa Labour Confederation."

Georgi Markov MP of the SDS filed a request to leave the faction, National Assembly Chairman Aleksandur Yordanov announced. The national press last week ran similar reports. Mr. Markov has been one of the coalition's most active and popular leaders. He recently announced his withdrawal from politics. [passage omitted]

By presidential decree, Valentin Dobrev Petrov is appointed permanent representative of Bulgaria to the UN office and international organizations offices in Geneva. [passage omitted]

Bulgarian MP's today left for Valetta, Malta, to attend the spring session of the Council of Europe. The MP's, led by Asparukh Panov, MP of the SDS, will attend meetings of the Council of Europe Committees on Political Affairs, Legal Cooperation, Education, and Culture. The Bulgarian parliamentarians will submit a special cabinet memorandum on the war in former Yugoslavia and the enforcement of the embargo on Serbia and Montenegro. [passage omitted]

Diplomatic Talks With Macedonia End in Sofia

AU2303155693 Sofia BTA in English 1345 GMT 23 Mar 93

[Text] Sofia, March 23 (BTA)—Delegations of the Foreign Ministries of Bulgaria and Macedonia led by Bulgarian Deputy Foreign Minister Dimitur Ikonomov and Macedonian First Deputy Foreign Minister Risto Nikovski completed their two-day consultations here today.

The two sides discussed the situation in the Balkans as well as topical aspects of bilateral relations. They expressed a mutual desire to promote bilateral cooperation in all spheres and to further enhance the climate of confidence, the Bulgarian Foreign Ministry announced.

ODS 'Concerned' About Havel Statement in Austria

AU2303162693 Prague CTK in English 1806 GMT 19 Mar 93

[Text] Prague March 19 (CTK)—Czech Foreign Minister and Deputy Chairman of the Civic Democratic Party (ODS) Josef Zieleniec today said he would discuss with Czech President Vaclav Havel his statement that he personally considers the expulsion of Sudeten Austrians unjust.

At an ODS press conference on Thursday [18 March], Czech Finance Minister Ivan Kocarnik said his party was concerned about Havel's statement.

Zieleniec told journalists that it was necessary to know the context in which the statement was made, and added that the president had the right to express his personal views.

Havel made the statement after his talks with Austrian President Thomas Klestil in Vienna on Monday [15 March] during his two-day state visit to Austria March 15-16.

On Wednesday, March 17, the Czech daily RUDE PRAVO wrote that on Tuesday, Czech Television, referring to the Czech ministry, said that in 1974 Austria and Czechoslovakia signed an agreement on the settlement of certain property and financial questions. On its basis, Czechoslovakia paid Austria in the 1970s one billion schillings. Thus all Austrian legal and physical persons as well as the Austrian state were indemnified for property nationalization and confiscations in Czechoslovakia after World War Two. In the agreement, the Austrian Government pledges never in the future to raise any property claims in relation to Czechoslovakia.

Klaus Plays Down Objections

AU2303164893 Prague CTK in English 2214 GMT 19 Mar 93

[Text] Prague March 19 (CTK)—Czech President Vaclav Havel today told journalists he expected Slovak President Michal Kovac to visit the Czech Republic on March 30-31.

That is why the situation in Slovakia was on the agenda of Havel's meeting tonight with the chairmen of the Czech Government coalition parties.

The coalition parties are the Civic Democratic Party (ODS), the Christian Democratic Party (KDS), the Civic Democratic Alliance (ODA) and the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL).

Czech Premier and ODS Chairman Vaclav Klaus told journalists that to say that the ODS had reservations about Havel's statement in Austria earlier this week that he himself considered the expulsion of Sudeten Austrians from Czechoslovakia after World War Two an injustice, would be an overstatement.

On Thursday [18 March], Czech Finance Minister Ivan Kocarnik, ODS deputy chairman, said that the ODS was somewhat concerned about Havel's words.

The ODS has not discussed it and none of its bodies has dealt with it, Klaus said.

Klaus said Havel's visit to Austria—March 15-16—had undoubtedly contributed to the mutual explanation and understanding of the two states' stands on various questions.

Austrian Chancellor Calls For More Talks on Temelin

AU2303183493 Prague CTK in English 1715 GMT 19 Mar 93

[Text] Vienna March 19 (CTK)—Austrian Chancellor Franz Vranitzky today sent letters to Czech President Vaclav Havel and Premier Vaclav Klaus calling on them not to break off dialogue with Austria on energy, even after the Czech Government had decided to complete the Temelin nuclear power plant.

Vranitzky appeals primarily to Havel to help start an open and unbiased discussion on the Austrian proposal to convert the Temelin nuclear power plant into a gas-fired station.

The Czech Government decided March 10 to go ahead with Temelin's construction and complete the two-block nuclear power plant in South Bohemia, in the vicinity of the Czech-Austrian border.

Vranitzky expresses the hope that on assessing all the aspects of the issue, the two countries will still be able to reach a decision corresponding to both peoples' interests. In a letter to Klaus, on behalf of his cabinet, Vranitzky voices disappointment over the Czech Republic's intention to use nuclear power in future as well. He says that in Austria's view there are alternatives to the Temelin nuclear power station in the Czech Republic.

According to a survey of projects to convert the Temelin nuclear power plant into a gas-fired station, which is enclosed to both Vranitzky's letters, the cost of Temelin's conversion, estimated at about 10 billion Austrian schillings, equals the expected cost of the plant's completion.

Klaus Favors European Solution to Asylum Problem

AU2403133893 Munich SUEDDEUTSCHE ZEITUNG in German 24 Mar 93 p 15

[Report by Wolfgang Koydl: "In the Forest Across the Border, That Is Illogical"]

[Text] Vaclav Klaus is not a man to be discouraged by setbacks. The dedicated market economist and uncompromising pragmatist has proved this more than once during the difficult transformation of the Czech economy. Klaus also indicates a similar strength of will

concerning the solution to the European asylum problem. In an interview with SUEDDEUTSCHE ZEITUNG, he stressed that his government does not want to permit the result of the latest conference of interior ministers from east and central European states in Prague to detract it from its course: "We are clearly in favor of a multilateral solution, one that does not just apply to us but for all of Europe, for all of central Europe," he said.

At the meeting of the interior ministers from the Czech Republic, Slovakia, Austria, Poland, Hungary, and Slovenia, Prague's initiative for a multilateral, common treaty with the FRG to dam the wave of migration was rejected. "Unfortunately," Klaus said, they decided in favor of bilateral treaties with Bonn. "For us, this is no solution" as coming to grips with the streams of refugees is "in the common interest of all central European states."

Klaus did not want to make any further comment on the current German-Czech negotiations about a repatriation agreement. He stressed that Prague does not have a problem with Germany as much as it does with Slovakia, Poland, and other east European states. "We cannot transfer the migrants who want to go to Germany to the Czech Republic and accommodate them there," Klaus said and added: "How should we do that, if you (in Germany) are not able to do it." Jiri Grusa, the Czech ambassador to Bonn, recalled the principles of Prague's negotiating position: The Czechs do not want to accept any "old cases," and their agreement terms would include an arrangement concerning a "secure return of asylum seekers to their countries of origin."

It must be particularly painful for Klaus, who is married to a Slovak, that problems with Slovakia may develop as a result of the asylum issue. Europe's newest and, in the eyes of many Czechs and Slovaks, most superfluous border between the two former fraternal nations, is to be expanded and secured quickly, according to Czech Interior Minister Jan Ruml. In his interview with SUEDDEUTSCHE ZEITUNG Klaus defended this measure: "Crossing the border in a forest or through a field would be illogical," he said.

Klaus emphatically stressed that the border checks planned would apply only to "persons from third countries and for trade." "Czechs and Slovaks may cross the border in certain places, there is no discrimination," he stressed. The Czech-Slovak border will "simply be comparable to normal European borders."

For the small Czech Republic, the grown Germany is an overpowering neighbor in every respect. In addition, relations are not necessarily made easier by demands, repeatedly voiced by circles of the Sudeten German Expellees' Organization, to renegotiate the treaty, which was concluded with the deceased Czechoslovakia, with the new Czech Republic. In this way, the Sudeten Germans want to get compensation for their property, which was expropriated after 1945.

This is a sensitive topic, particularly in Bavaria, where the "fifth branch" of the Sudeten Germans has great political influence. Even though Klaus admitted that Bavarian politicians "must satisfy various groups to a certain extent," he remained tough on this matter: "We have repeated a hundred times that these restitutions are really impossible for us. We cannot make good on all the injustices of history." The key date for compensation is and remains 25 February 1948, the day when the communists assumed power. "I hope that all sensible politicians in the FRG will understand that," Klaus said.

Klaus on Visit to Germany, Talks With Kohl

LD2303214193 Prague Stanice Praha Radio Network in Czech 1745 GMT 23 Mar 93

[Regular interview with Czech Prime Minister Vaclav Klaus by correspondent Vaclav Musilek on 23 March; place not given—live or recorded]

[Excerpts] [Musilek] Prime minister, last week when assessing your visit to Holland I said, figuratively speaking, that it seemed that the wind from their famous wind mills was blowing us towards Europe. Although Germans do not have these mills, do you think that one could apply similar comparison also to Germany, or is it, after all, a more complicated matter?

[Klaus] I dare say that the mills, or rather the winds, are blowing stronger in Germany. As for my impressions, well my impressions from the visit, in particular from my talks with Chancellor Kohl, are very, very positive especially in this respect. I think that the chancellor (?feels the same). He is a person whose considerations are aimed above all at Europe. I think that the entire development of the current process of European unification is a product of his work. He is probably the greatest mover. Even though erecting a European umbrella may at first sight appear to be a French initiative, he has been continually talking about this issue and he is taking the Czech Republic into account.

[Musilek] During your visit to Germany you criticized the West's protectionist efforts vis-a-vis goods from East European states. I would like to know how the Federal Republic officials, with whom you had talks, responded to your pronouncements?

[Klaus] I ought to say that the Federal Republic is a large country and therefore there are many officials. The political pinnacle represented in particular by Chancellor Kohl is not pleased about it. These people even want me to cite specific examples to them, so that they could use them and argue against them. But the other level of politicians who have stronger links with particular industries, with particular regions, which are concerned over particular aspects, well the view held on this level is not so absolutely homogenous. The reason is that the present-day Germany has its own problems. One should be aware of this fact. [passage omitted]

So, the maneuvering space of the German Government is more restricted nowadays than it would have been, say, in the 1970s or 1980s. While this fact is unfortunately very unpleasant for us, it is, nevertheless, a reality.

[Musilek] Another thing you talked about was the oilpipe line from Ingolstadt, that is a very attractive prospect for us. How does this pipe line acquire real dimensions after your talks, as to its implementation and time specification?

[Klaus] The pipeline is important for us not only on the purely economic plane, in that it is a pipe which will carry oil. The pipeline has immense political significance for us. We need to reduce our dependence on the East, that is on Russia and the former USSR. From this point of view it is an important thing. I think Germany knows it. So that the support to the pipeline along the Bavarian territory, which is being opposed by a number of ecological initiatives of landowners, people who are very much against eerything. [passage omitted]

But I am convinced on the political and economic levels and the level of the interest of the government and attempts to push certain measures through in the parliament—there is 100 percent interest here and I was being assured both by Prime Minister Streibl and the person who is de facto responsible for it—Economy Minister Lang, that it will be ready in time.

[Musilek] Prime minister, you were in Germany at the time when the situation in Russia was beginning to come to a head. Did you notice during your talks with the German representatives that they paid attention to this question? What comes into consideration here is the historical relation of the Germans and the Russians when in Germany apprehension of the development in Russia still prevails?

[Klaus] I must answer simply yes. Russia is the topic and when I talked with the chancellor for (?two hours) the rest of my company sat in the foyer and observed how new and corrected versions of Chancellor Kohl's speech in the German parliament this afternoon were being brought in and adjusted according to the latest reports which were coming from Moscow. So if you ask if it is a hot potato and political issue number one then I must admit it is. I talked about this with the chancellor. He has the feeling—although I do not not how much right I have to publish his statement—he has the feeling that the West must express support to Yeltsin. He is leaving on the 25th, that is the day after tomorrow, for his first one-day visit to the United States to see President Clinton and he told me specifically that he will ask that support be expressed to President Yeltsin together with the representatives of the world superpowers. He said that, upon his phoning, President Bush had done so at times during the coup which happened in Russia—it seems almost two years now—and that he thought it should be done now as well.

Consumer Price Rise Slows Down in February

AU2303152893 Prague HOSPODARSKE NOVINY in Czech 18 Mar 93 p 8

["Czech Statistical Office, Department of Foreign Trade and Price Statistics"-signed report: "Developments in Consumer Prices and the Cost of Living in the Czech Republic in February"]

[Text] The overall level of consumer prices rose 1.3 percent (in comparison with January). Non-food goods showed the largest price increase—1.9 percent. Similar was the growth of prices in public catering (1.2 percent) and services (1.3 percent). The lowest increase was in food prices—0.3 percent.

Within the framework of foodstuffs, the prices of milk and dairy products, flour, pasta, baked goods, sugar, and sweets rose the most (between 1.4 and 1.7 percent). On the other hand, a marginal fall was recorded in the prices of meat, meat products, eggs, egg products, and fats (between 0.7 and 1 percent). Within the framework of non-food items, all categories showed an increase in price. The most striking was the growth in prices of household, hygiene, and health-care requisites (3 percent). The prices of other categories of non-food goods increased by 0.3 to 2.5 percent.

In the public catering, the price of company food services grew faster (2 percent) than the prices charged in restaurants (1 percent).

In services, the category of personal services showed the largest price increase (2.3 percent), followed by rent (1.9 percent), and then education, culture, entertainment, and sport (1.8 percent).

The total price increase since the beginning of the year (in comparison with December 1992) reached 9.9 percent in February 1993, with the largest increases occurring in public catering (16.8 percent) and services (14.2 percent). Food prices grew a little more (8.6 percent) than non-food goods (8 percent).

The cost of living rose in February (in comparison with January) approximately equally in the households of white-collar workers (1.2 percent) and farmers (1.3 percent). The increase was lower in the households of pensioners (0.9 percent), mostly because of the moderate increase in food prices.

Privatization Minister Discusses Share Suspension

AU2403095493 Prague LIDOVE NOVINY in Czech 19 Mar 93 pp 1,2

[Interview with Privatization Minister Jiri Skalicky by Karel Kriz; place and date not given: "The Slovaks Are Getting Tough With Us"]

[Text] [Kriz] The Czech Government decided on Wednesday [17 March] to suspend the issue of shares to Slovak investors. Did things really have to go that far?

[Skalicky] We had no other choice. The Slovak Government is postponing or even rejecting a property settlement. This is also due to the fact that the Czech Government did not previously demonstrate enough will to reach a property settlement in coupon privatization, which was something I had long been pushing for.

[Kriz] That is, the current remarkable turnaround in the government's opinions had nothing to do with you?

[Skalicky] The Czech Government would like to reach sensible agreements on dividing property, and I—understandably—support this idea. I have long maintained that we have to have a practical lever to achieve this settlement. It is necessary to play the card suspending the share issue. We would have had nothing left in our hand after 29 March. Further steps are, of course, a matter for the Finance Ministry. I refuse to be a standard-bearer in this phase.

[Kriz] Individual Slovak Government members are threatening this or that reciprocal measure....

[Skalicky] They are finally working out for themselves that a settlement in nominal values is more advantageous for them than the loss of shares with a market value of $2.5 billion, as estimated by the Czech National Bank.

[Kriz] What does this suspension mean for the Czech shareholder?

[Skalicky] Because we decided late, this suspension—if it is necessary—will delay the issue of statements from the Security Center [Stredisko cennych papiru] and that, in turn, will postpone the assumption of real share ownership. This could also mean a return to my original intention, that is, to hold general assemblies this year with the participation of the exclusive owner (the National Property Fund) without the coupon shareholders.

[Kriz] What would happen to the Slovak investors in the Czech Republic?

[Skalicky] Now we have only two options: either to withdraw from our demands for a property transfer settlement or to choose a radical solution and not issue shares to the Slovak investors. There is a possibility that ownership rights could be transferred to them, but their execution would be blocked for a certain period—as was the case with German capital in Britain during the war. The dividends from these shares could be used to pay Slovak debts. According to the most optimistic option, these dividends could bring in 2-2.5 billion korunas per annum. Half a loaf is better than no bread at all. However, the most painful thing of all is the fact that the issue or nonissue of the shares is not de facto a problem in relations between the two states but a problem in our state's relations with the individual citizens of another country.

In a certain sense, the Slovaks are behaving more independently than we are. Traditional Czech paternalism prevails in our country in relation to them. The Slovaks are getting tough with us in negotiations. They are scrambling for every koruna and are doing so all the more sincerely, the more insultingly magnanimous we are.

Data on Development of Private Sector Reviewed

AU2403102393 Prague HOSPODARSKE NOVINY in Czech 19 Mar 93 p 8

[Article by Engineer Ladislav Vana, Czech Statistical Office: "Entrepreneurs Are Increasing Their Influence; The Czech Private Sector Through the Prism of Statistics"]

[Text] One of the fundamental features of the economic reform is the birth and development of the private sector. The results achieved in this sphere of economic activity are one of the main criteria used in evaluating the progress of our economy's transformation.

The privatization process was started in 1990 with the so-called small-scale privatization, which comprises property falling into the category of small and medium-sized business (retailing, public catering, services, and small businesses engaged in production). Some 22,500 businesses were privatized by this method by the end of 1992. The value of businesses auctioned off within the framework of small-scale privatization reached approximately 30 billion korunas.

In February 1991 the Federal Assembly approved Law No. 92 of 1991 on the Conditions of Transferring State Property to Other Persons, which is known to the public as the law on large-scale privatization. This law has been implemented for less than two years. By the end of 1992 the Czech Republic Ministry for the Administration of National Property and its Privatization received a total of 16,609 privatization projects for 3,638 state-owned companies, which means that an average of four to five projects have been drafted for each enterprise. The property included in all projects represented 1,007 billion korunas in book value. By the end of 1992 a decision had been made on 10,821 privatization projects, some 28 percent of which were approved. Decisions on submitted privatization projects sealed the fate of 2,170 enterprises. A decision remains to be made on some 5,800 projects and 1,500 enterprises. In terms of the scope of privatized property, coupon privatization has been the dominant method. Property with a book value of 212 billion korunas in 988 organizations had been set aside for the first privatization wave, of which property worth 198 billion korunas was actually sold in the five rounds of the first privatization wave.

Concurrently with the progress of small-scale and large-scale privatization, the year 1992 also saw the development of private enterprise through the founding of new private firms and a significant growth in the number of private entrepreneurs operating according to the trade law. Their number increased by almost 150,000 in the course of the year and their total number now significantly exceeds one million.

The activity of the private sector is borne out by the relatively rapid growth of its share in the overall results of the Czech Republic economy in selected indicators according to key branches. Complete summary information is provided by the quantification of the contribution of the private sector to the generation of gross domestic product [GDP]. In 1991, the private sector accounted for 10.6 percent of GDP on average. In the course of 1992 its share increased from 17.8 percent in the first quarter of the year to 21.5 percent in the fourth quarter of the year.

The private sector attained the following share in the overall results of the Czech Republic's economy in the main branches in 1992: industry (production)—14.5 percent on annual average; construction—46 percent on average; transportation (volume of public freight transported by road)—36.4 percent on average; domestic trade (retail sales)—66.1 percent on average.

The year 1992 was also marked by the transformation of agricultural cooperatives. According to available data, the originally existing 1,202 agricultural cooperatives have been transformed into 1,221 new owners' cooperatives, 37 joint stock companies, 94 limited liability companies, and 18 partnerships. A total of 30 agricultural cooperatives will be subject to bankruptcy proceedings.

The progress of privatization, the emergence of new firms, and the growing number of individuals engaged in private enterprise further increased the private sector's share of GDP and, in the final analysis, positively influenced the level of GDP. The decline of GDP from 1991 was halted and the transition to the phase of stagnation was made in the course of 1992. Although GDP for 1992 as a whole was 7.1 percent lower than in 1991, the level of GDP in the third and fourth quarters of the year was slightly higher than in the corresponding periods the year before.

EC Commission Opens Office in Prague

AU2303181893 Prague CTK in English 2010 GMT 19 Mar 93

[Text] Prague March 19 (CTK)—The European Community (EC) should determine a date in the mid-1990s to evaluate, together with the Czech and Slovak Republics, whether the conditions for their membership in the EC have been fulfilled, said EC Commissioner Hans Van den Broek at the ceremonial opening of the EC Commission Representation Office here today.

The EC has thus far declined to officially set specific dates for steps toward granting membership to Eastern European countries.

Van den Broek said that the representation office in Prague symbolizes the EC's obligation to renew good relations with Czechs, Slovaks and other Europeans.

The Prague office will also represent the interests of Slovakia until an office is opened in Bratislava. The goal of the representation office is to prepare both republics for full membership in the EC.

Article Views Level of State Debt, Servicing

AU2403112093 Prague HOSPODARSKE NOVINY in Czech 18 Mar 93 pp 1, 3

[Article by Drahoslav Zeman: "Czech State Debt: The Czech Republic's Debt Servicing Plans and Efforts at a Balanced Budget"]

[Text] The sale of Czech state debentures in denominations of 10,000 Czech korunas and 1,000,000 Czech korunas is starting today through the Komercni Banka [Commercial Bank], Investicni Banka [Investment Bank], Ceska Sporitelna [Czech Savings Bank], and Credit Suisse First Boston. This is the first time in modern history that our state has turned not only to legal entities but also to the population with the offer of debentures to cover the national debt.

The Czech Republic has entered its first year of independent existence with a national debt of approximately 200 billion korunas. This sum, most of which was inherited from the former federation at a ratio of two to one, comprises, according to experts from the Czech Ministry of Finance, 91.7 billion of internal debt, 71.3 billion of foreign debt, and 37 billion of the foreign debt of the bank of issue, which can also be qualified as national debt.

Although the term internal debt can be interpreted to mean all kinds of things, including, for example, the devastated environment in northern Bohemia, financial experts include in it the state's liabilities with the Czech National Bank (58 billion korunas), with commercial banks (17.6 billion), as well as liabilities from the issue of state debentures (16.1 billion). The state's foreign debt includes the government's liabilities with foreign countries (21.7 billion korunas) and liabilities abroad taken over from Ceskoslovenska Obchodni Banka [Czechoslovak Foreign Trade Bank]. In calculating the level of indebtedness of a state, one also takes into consideration the foreign debts of the bank of issue (stabilization loan from the IMF and debts from bonds issued by the former Czechoslovak State Bank) that are guaranteed by the state (with respect to liabilities with the IMF, for example, the finance minister co-accepts the relevant drafts).

Debt Servicing Costs

The level of state indebtedness is naturally an item that is impossible to overlook. What is more important from the practical viewpoint, however, is the cost of servicing the debt in a given year and the state's ability to bear this cost. Debt servicing comprises, in particular, repayment of principal and interest and, as the case may be, the payment of other concomitant costs. As Engineer Eduard Janota, director of the Czech Ministry of Finance Budget Section, and Engineer Vladimir Srytr, head of the State Financial Assets and Liabilities Department, told HOSPODARSKE NOVINY, expenditures on servicing the Czech Republic's debt are to amount to 27.2 billion korunas in 1993. How can this sum be paid, given that, evidently, it will not be possible to pay it entirely from the 1993 state budget, which seeks balance between revenues and expenditures?

The approved budget appropriated 13.5 billion korunas for debt servicing; most of this money is to be used to repay interest on the state's direct debts with the Czech National Bank [CNB], which arose as a result of the CNB taking over government credits and compensating for the impact of the devaluations and revaluations of 1990 on Czechoslovak banks.

The appropriated sum of 13.5 billion korunas also includes 2.2 billion korunas needed to repay interest on government credits taken abroad—the SAL [expansion not known] loan from the International Bank for Reconstruction and Development and loans from the EC and the G24 countries. In accordance with the terms under which these loans were provided, we will not start repaying the principal on these loans until 1997.

After the budget contributed its billions, the sum of 13.7 billion korunas was still missing to service the national debt in 1993. A part of this missing sum, 6.5 billion korunas, has been transferred to the National Property Fund; this money will be used to repay principal and interest on liabilities in freely convertible currencies that the state has adopted from Ceskoslovenska Obchodni Banka. An agreement has been reached with the CNB whereby 4.3 billion korunas worth of repayment of principal on direct debts due in 1993 will be deferred. The Czech Ministry of Finance and the CNB are currently engaged in negotiations on the timetable of repayment in the years to come.

What Will Be the Burden on the Budget?

Of the total expenditures on servicing the Czech Republic's debt, the sum of 2.9 billion korunas therefore remains to be covered. This is the amount the state must pay to commercial banks to repay its liabilities with them (for example, the credit provided by Investicni Banka to finance the Krivoy Rog project). No decision has been made yet on how to repay this sum but it will apparently have to be covered from this year's budget, over and above the originally contemplated expenditures.

One practical question arises: How big a burden will the servicing of the debt represent for this year's state budget? The budget provides for revenues and expenditures of 343 billion korunas. If the aforementioned sum of 16.4 billion (13.5 plus 2.9) is paid from the state budget, the debt burden will represent 4.8 percent. Hypothetically speaking, were all expenditures on servicing the debt this year to be financed from the state budget, the sum of 27.2 billion would "grab" 8 percent of the state budget expenditures. Compared with Japan, where, according to Eduard Janota, debt servicing represented 22 percent of budget expenditures in 1991, this is not much. We must not forget, however, that pressure on additional expenditures from the state budget is growing and that the projected level of revenues may considerably differ from the reality, as we are in the first year after the introduction of a new system of taxation.

There also exists a certain possibility of income from Czech claims abroad, that is, from government credits and from claims in nonconvertible currencies that have been taken over from the Ceskoslovenska Obchodni Banka. Most of these claims date back to the pre-November [1989] period. In view of the very low rating of these claims, this possibility is purely theoretical, however.

The level of debt servicing payments in the years to come has not been agreed upon and is not exactly known today. But in view of the fact that the principal on direct debts with the CNB, for example, remains to be repaid and because it is not known whether the National Property Fund will again make a contribution, pressure on the budget of the Czech Republic is expected to substantially increase, compared with this year.

Kovac Appoints New Foreign, Economy Ministers

AU2303161493 Bratislava NARODNA OBRODA in Slovak 20 Mar 93 p 1

[TA SR report: "Cabinet Reshuffle; The President Recalled and Appointed Ministers"]

[Text] Bratislava—Michal Kovac, president of the Slovak Republic, recalled Milan Knazko from the post of deputy prime minister and minister of foreign affairs at 1400 yesterday, at the proposal of Prime Minister Vladimir Meciar. He met the prime minister's request, who had criticized the department and his chief for the absence of foreign policy strategy and tactics and for poor communication with other members of the cabinet on foreign policy issues.

The president of the Slovak Republic yesterday also accepted the resignation of Minister Ludovit Cernak. In handing in the resignation from his post in the Slovak cabinet on Thursday [18 March], the Slovak National Party [SNS] chairman said that his step was motivated by poor personnel policy in the sphere of state administration, by the prime minister's uncoordinated foreign political activities, and by disregard for SNS demands concerning the appointment of the minister of defense of the Slovak Republic.

Yesterday at Bratislava Castle President Michal Kovac, in the presence of Prime Minister Vladimir Meciar, handed over letters of appointment as members of the government to Jozef Moravcik, whom he entrusted with the management of the Ministry of Foreign Affairs of the Slovak Republic, and to Jaroslav Kubecka, whom he entrusted with the management of the Ministry of Economy of the Slovak Republic.

Economics Minister Kubecka Profiled

AU2303161893 Prague CTK in English 2052 GMT 19 Mar 93

[Text] Prague March 19 (CTK)—Jaroslav Kubecka, appointed new Slovak economics minister today to replace Ludovit Cernak who resigned last night, was born at Tura Luka, West Slovakia, on October 27, 1934.

In 1958 he graduated from Bratislava's School of Economics after which he did various jobs related to his economic background.

At the beginning of 1990 he was appointed Slovak deputy industry minister, and from August 1990 till June 1992 was the Slovak deputy economics minister. He was the last Czechoslovak economics minister—from the June 1992 elections till December 31, 1992, when the Czechoslovak Federation ceased to exist. For a brief period (June-October 1992) he headed the Czechoslovak Strategic Planning Ministry.

He was a deputy to the now-defunct Federal Assembly (parliament) where he was delegated by the Movement for a Democratic Slovakia (HZDS), but not as its member.

In December 1992 he was appointed state secretary in the Slovak Economics Ministry.

Foreign Minister Moravcik Profiled

AU2303162093 Prague CTK in English 2008 GMT 18 Mar 93

[Excerpt] Bratislava March 18 (CTK)—The following are the biographies of Jozef Moravcik and Roman Zelenay, referred to as possible replacements for Slovak Foreign Minister Milan Knazko who is expected to be dismissed by Slovak President Michal Kovac on Friday morning [19 March]:

Jozef Moravcik (Movement for a Democratic Slovakia, HZDS), the last federal foreign minister, now Slovak Premier Vladimir Meciar's legislative adviser, was born at Ocova, Central Slovakia, on March 19, 1945. Moravcik, a doctor of law, studied at the law faculties of Prague's Charles University and at Bratislava's Comenius University. After graduation, he lectured at Bratislava's School of Economics, and from 1972 at the Faculty of Law of Bratislava's Comenius University. In the years 1990-91 he was the dean of the faculty.

In 1991, Moravcik was co-opted onto the Slovak National Council (parliament), representing the Public Against Violence (VPN) movement. After the VPN, one of the motive powers behind the velvet revolution in Slovakia which toppled the communist regime in late 1989, split in 1991, he became a HZDS member. From April to June 1992 he was a member of the Slovak National Council Presidium. In the June 1992 elections he was elected an HZDS deputy to the House of the People of the Czechoslovak Federal Assembly (parliament). In July 1992 he became Czechoslovak foreign minister and held the post until December 31, 1992, when the federation split.

Moravcik's name as a possible replacement for Knazko appeared in the press as early as November 1992. He dismissed it as journalists' speculation.

In March, when Knazko's visit to Brussels was canceled (but later he did go there), the press speculated Moravcik would go to Belgium instead of Knazko. But he gave up the trip for health reasons.

On the dispute between Slovak Premier Vladimir Meciar and Knazko, which is the cause of the latter's expected dismissal, Moravcik said in the 10th issue of the Slovak periodical SLOBODNY PIATOK that he did not agree with the view that the Meciar-Knazko dispute is a dispute of concepts. ...the concept of Slovakia's foreign policy cannot be challenged. ...it is impossible that such a dispute prevail in the government.... It is untenable and must be solved by a categorical method.... This means: either the premier or his minister should leave....

I think that it would not be suitable to challenge the powers of the premier. I am convinced that it is possible to keep the dispute within the movement, and I think that Knazko's departure from the government need not mean his defeat in the HZDS, Moravcik said. [passage omitted]

Kovac Comments on Knazko Dismissal

LD2303222393 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 23 Mar 93

[Excerpts] The participants in a meeting of Army commanders in Trencin have today welcomed for the first time in the history of the Slovak Army welcomed its commander in chief, President Michal Kovac. [passage omitted]

Following a news conference, President Michal Kovac granted an interview to the Slovak television program "Aktuality" and to Radiozurnal. On behalf of Radiozurnal, Alica Bielikova asked him a few questions, not about the army but on current political development. The president replied accordingly..

[begin Kovac recording] I would first like to put right the question that concerns the dismissal of Mr. Knazko. Some journalists stress too much that my dismissal of him is the consequence of an alleged blackmail on the part of the prime minister. I would like to say that this is not true.

A week ago the government held a session, which I attended, concerning this matter. At this session I found out that all the government members had confirmed that the government was not functional in the present state of affairs, in particular as concerns the implementation of foreign policy. But on top of that I found out, and all government members expressed this, that this conflict was affecting other members of the government and creating a bad atmosphere. At this government session, I turned to Mr. Knazko—as the president and his friend—and asked him to make the decision easier for me and help the government become functional again, and also to help calm the internal political situation by giving up his posts of deputy prime minister and minister of foreign affairs. I must confirm that Mr. Knazko was not ready or willing to do this. I did not want to make a decision on Tuesday and therefore left it until Friday in the hope that by then Mr. Knazko would think it over and take this step.

Elsewhere in the world, it is quite normal that the prime minister has the right to choose people and also has the right to state—after some time—with whom he can and with whom he cannot cooperate. And if a minister or deputy prime minister does not agree with the prime minister—and in the case of Mr. Knazko it happened several times—he himself usually submits his resignation. In our case this did not happen. Therefore I would appreciate it if this affair were viewed in a comprehensive way, in its whole context. I am really sorry that some journalists are quick to draw long and very serious conclusions without showing any interest in finding out more details about things. [passage omitted] [end recording]

Meciar Views Benefits of Renewed Cooperation

LD2303223493 Prague CTK in English 2057 GMT 23 Mar 93

[Text] Moscow March 23 (CTK)—The Slovak Republic and Russia may serve as an example of cooperation that will be followed by the countries of eastern Europe, Slovak Premier Vladimir Meciar told Russian journalists prior to his planned visit to Russia.

Meciar is to arrive here for a two-day visit Wednesday [24 March] night.

According to the Russian news agency ITAR-TASS, Meciar recalled that after the breakdown of the Council for Mutual Economic Assistance (CMEA), the countries of the former Soviet bloc wanted to introduce world market prices in their trade exchange. We do not have dollars and nor do you which means we have to seek new mechanisms of trade, for instance based on clearing, Meciar said.

Meciar intends to suggest during his visit that Russia buy engineering, chemical and consumer products from Slovakia in exchange for energy. He also wants to discuss with the leadership of the Russian Federation the possibility of storing nuclear waste from Slovakia's power plants on Russian territory, ITAR-TASS said.

The agency noted that Meciar had expressed concern over the current limitation of Russian-Slovak cooperation in culture, education and science.

Russia and Slovakia are meeting with similar problems in implementing economic reform, including production decline, conversion of their arms industries into civilian production, privatisation and growing unemployment, Meciar said. If the two countries restored their broken contacts they would be able to progress more quickly and overcome the current crisis jointly, he added.

Meciar said he was dissatisfied with Slovakia's lack of an independent foreign policy plan, and added he hoped that contacts between the two countries' Foreign Ministries will be strengthened in Moscow.

Antall Denounces Csurka Faction

AU2303212193 Budapest PESTI HIRLAP in Hungarian 17 Mar 93 pp 4-5

[First part of interview with Prime Minister Jozsef Antall by Jeno Balasko; place and date not given: "Istvan Csurka Has Been, and Still Is, Preparing To Seize Political Power"]

[Text] I called upon Prime Minister and Hungarian Democratic Forum [MDF] Chairman Jozsef Antall with important questions that are decisive for the future of Hungary and the MDF. Leading politicians, as well as the members and sympathizers of the MDF who are rightly concerned about the domestic political problems originating from the aggressive disruption of their party's unity, are alarmed by Istvan Csurka's increasingly open anti-government stand.

[Balasko] Mr Antall! The MAGYAR FORUM of 4 March published several readers' letters under the headline: "The MDF and the Hungarian Way." Among other things, we can find such sentences there: "Besides, all the members are uncertain, and this could also be seen during the National Conference. They do not want a split, but they had enough of the government's retreating policy...." Another quotation says the following: "Our organization would not even dream of throwing out the Hungarian Way, no matter what the Presidium says...." Another quotation: "We would like the prime minister to consider the people's opinions because he could easily end up like Julius Caesar who believed his adulators in calling him God." In connection with all this, many people from both extreme sides do not seem to be aware of the opinions of several hundred deputies of the National Conference and the final results of all the votes given without any constraint. The same deliberate lack of understanding is manifested toward the presidium members democratically elected at the latest faction meeting held in Kenese. An old Bolshevik habit characterizes our young democracy as a whole, namely that if some people do not like the results of a vote they try to unscrupulously disregard them. What is to be done in such a case?

[Antall] There are many questions in this long sentence. First of all, I have always been in favor of unity, as opposed to division. Then, retreat does not characterize our government; our political opponents and false critics claim this. It would be really sad if our members were unaware of the straight road steadfastly followed by this government and government coalition. At the same time, it is also natural that, as a result of the unforeseeable foreign circumstances and the almost regular internal mistakes, the advanced unit must sometimes stop. Moreover, we cannot exclude the possibility that sometimes we must retreat, as [George] Washington did or as Artur Gorgey did, because if they deployed untrained units in battle, most probably we would not speak of freedom fight today. Nor could we speak about the glorious campaign in Felvidek [northern Hungary until 1920, currently south Slovakia], which was in fact a retreat from the enemy's numerical superiority that was pressing from every side; however, this retreat was perhaps the nicest military action of the terrible winter of 1849, followed by the victorious battle of Branisko. Such retreats made it possible for the army to become stronger, gather more power, and train every movement needed to fulfill the huge tasks. This is how the unbelievable winter ordeals turned into the unimaginable triumphal march, the spring campaign during which the young army destroyed one of the strongest armies in Europe.

In other words, occasional stops are necessary for any advance to concentrate forces and be certain in our steps by always adjusting to the latest circumstances in the hope of success.

As for considering the people's opinions, it is both strange to ask me for this and impossible to prove the opposite. Believe me, I have always considered the people's opinions, a broad circle of opinions. A person who claims the opposite should examine himself to find out whether he did anything for the people's interests after hearing their opinions or not. Because there are various ways of acting after hearing the people's opinions: This often requires unpopular measures aimed at developing our nation; however, there is also another way, one that touches the dissatisfaction zones of the suffering people and, while caring for the people remains our job, this person keeps saying that he is the people's voice. Thus, we also have to care for him, although he cares a lot for himself. If history provided the miracle enabling us to change roles for a night, I admit that I would not feel well in his "extorted" gratuitous popularity. But how would this person feel in the realm of my troubles? Nor does one need much fantasy to agitate against corporations while establishing a multitude of such corporations.

After all this, it is understandable that I hardly regard myself as God, or Julius Caesar for that matter, although an increasing number of self-appointed Brutus-types are emerging now.

As for the question about whether the MDF wants to throw the Hungarian Way circles out of the MDF organizations, what was said in Kenese, and what is the majority position, I can say to all this that every real democracy is based on the constitutional will of the majority but, along with this, the minority opinions should always be taken into consideration, and criticism cannot be avoided. This does not mean that minority opinions could stop the majority will. I do not think that we should make use of something similar to the veto rights prevailing in the old Polish Sejm, veto rights that maximized the minority opinion and, finally, led to Poland's dismemberment.

Speaking about the Hungarian Way organizations, we already concluded that they could not join the MDF, not only because this is the position of the Presidium, but

also because, just like any other foundation, the Hungarian Way Foundation is an independent legal entity. In addition, the movement and circles of the Hungarian Way Foundation do not represent the MDF because they also include members of other political parties and even some non-party circles. It is clearly unimaginable that any other organization could operate by relying on the MDF organization, its financial and material means, and by making use of its propaganda possibilities.

Irrespective of all this, some of the goals of the Board of the Hungarian Way Foundation are really useful goals. Istvan Csurka's political aim in creating this foundation, the circumstances under which he created this foundation, and the ways in which he hid his plans from both the Presidium and the MDF faction is another matter. Members of the MDF Presidium and the MDF leading bodies learned about Csurka's foundation in a bursting way, only from leaflets and other advertisements. It became clear that, with this action and this method, Csurka wanted to create the biological symbiosis between the tree and the mistletoe within the MDF.

A majority decision emerged both at the National Conference and in Kenese, and this must be accepted, just like everyone accepting the fact that the National Conference deputies also elected Istvan Csurka into the Presidium, as the fourth name after Sandor Lezsak, Lajos Fur, and Imre Konya. I would like to stress that I find it unnecessary to point out the exact number of "Csurka-followers" in the Presidium. This is not so simple! In any case, it can be concluded precisely that those who want to follow Csurka's separate road are the minority in both the National Presidium and the party faction. Contrary to his declaration, after the National Conference, Istvan Csurka immediately gave an order for "assault fire" against the government and the prime minister, and he continued this attack personally.

[Balasko] I am quoting here a few ideas voiced at the national conference of the Hungarian Way Circles. Please, analyze the following declarations for us: "The policy of self-liquidation should end once, because this only leads into a trap.... We need a movement starting from below with a clean basis, a movement that is not tied by the old unity, a pact, and the perennial compromise of maintaining power."

[Antall] This is one of the most frequent accusations. It is a pity that Istvan Csurka took over the accusations against the pact policy from the opposition, from his opposition presented as the most ferocious opposition. I would mention two things here. I have nothing to say about the so-called self-liquidation because this is only a prediction. It is precisely Istvan Csurka who wants to universally fit this self-liquidation, or the ambition of bankruptcy proceedings, high commissioner, and president(!). When, in August 1992, he took a stand against certain phenomena but, in any case, for power, something he hardly declares, Csurka took these steps to bring the MDF under his own influence. We should have no illusions: Istvan Csurka does not have ideological problems because, if anyone accuses him of having them, he denies most of them nonchalantly, gives them up, or provides another interpretation to any of his thoughts. From every point of view, with finances, with the press, and with obtaining political positions, Csurka has been preparing, as is still preparing, to seize political power and to carry out his own political program. Everything else said in connection with this is only a matter of detail. This is not a matter of personal or "position" struggle, but a matter of basic political power where phraseology is also of tertiary importance.

As for the pact policy, I can safely declare that the MDF has never signed any pact that would exceed—in the wrong sense of the word—the bases of a national consensus. All the accusations that we signed a pact with the Hungarian Socialist Workers Party [MSZMP] are fake accusations. I am also referring to the accusations made in connection with the agreements made on 18 September 1989, accusations made by the opposition of the time, by those who did not exercise any veto, although they could have done so, but they refused to sign the agreements. The issue at the time was to create the constitutional bases of the Hungarian legal statehood. I can safely quote Ferenc Deak: By coming to an agreement, we wanted to lay the foundations on which we could safely advance. We made an agreement aimed at creating the new constitution of the Hungarian Republic and legislating the important laws that enable us to carry out the changes peacefully. This is why the members of the opposition at the time who failed to sign the agreements were wrong, just like those who are criticizing all this now. These agreements had good aims, and their signed text included the disbanding of the workers' militia and the withdrawal of party organizations from working places. However, the greatest importance of these agreements was that they stipulated the renewal of the MSZMP; in other words, the MSZMP would first be dissolved and then a new party would emerge, the Hungarian Socialist Party [MSZP]. The importance of this step derived from recognizing the fact that, according to psychological laws, most people find it much more difficult to individually leave a party and join another party. Therefore, it was a key issue for us to make sure that the MSZMP is dissolved and a new party is born because, if things did not turn out like that, in the spring of 1990, out of the 800,000 MSZMP members, at least 400,000 people would have continued to be members of the old state party at least formally for a year. Thus, the MSZP could also start as a new party and, financially, from a much more advantageous position than the other newly-formed political parties.

A successful dissolution of the MSZMP was the key issue of the change in the regime. This was the first so-called pact that had no secret appendix whatsoever. All the false rumors spreading among emigres or here in Hungary—namely that we agreed on something here, for example on salvaging the power of the MSZMP, on saving the former nomenclature, on distributing various

positions, and other such rumors—are all childish hoaxes and every word is a lie. There were no so-called pact appendixes whatsoever; the only pact that existed then and continues to exist today is the one that was published in hundreds of thousands of copies.

It became clear in the two rounds of elections held in the spring of 1990 that, on the one hand, the parliament was working; on the other hand, regarding the control of the army and the police, together with some other changes, the political will at the time took steps toward a system that represented mines for the next political regime, for us. Several similar steps were made in the economic life, but legal and constitutional steps were also taken that hindered the governing process, particularly in the initial period and, as a result, we still have constitutional law debates to this very day. It became clear that, by implementing these modifications and by "sneakingly" placing those small mines and tricks, like the laws requiring a two-third majority, and by introducing a pseudo-democratic and totally illogical system from a constitutional viewpoint, the aim was to paralyze the next government. The institution of kingdom in Great Britain can be changed with 50 percent plus one of the votes. We should stress here that, with the exception of a few special laws, the opposition can never take upon itself to have a share in the legislation of laws when they cannot take responsibility in the implementation of these laws.

Therefore, the political opposition after the elections logically admitted that there was a need for some kind of a compromise. The legal situation was one thing, and the political situation is another thing. Everyone was aware of this both legally and theoretically; at the same time, politically, the two-thirds majority laws would have provided an opportunity mainly for the smaller parties to have the government ask for their help in every vote when the government lacked a two-thirds majority. This also applied to the budget. Imagine a budget legislated through the votes of the opposition. This would have provided opportunities for the smaller parties (theoretically also for the Federation of Young Democrats) to supply the necessary majority to the 60 percent of the government coalition. The same applies to the MSZP. The whole two-thirds legislation would have brought the government into a trap if we did not make a compromise, if we did not make the so-called pact with the Alliance of Free Democrats [SZDSZ]. Our goal was to sign an agreement by the convening of the parliament on 2 May 1990, an agreement stipulating the reduction of laws requiring a two-thirds majority and some modifications of the constitutional law discussed during the negotiations. This is when we included the system of a constructive motion of no-confidence, the legal stipulations of a chancellor system within the Hungarian premiership, the political agreements on the basis of which we demanded the SZDSZ to accept the nomination of Arpad Goncz as president of the republic and Gyorgy Szabad as speaker of the parliament. (Istvan Csurka clearly supported Arpad Goncz)

Of course, this time there are a lot of people who present themselves today as extremely independent deputies. At the time, however, they offered everything just to become presidential nominees. They were even ready to join the MDF for this. People who then appeared as the initiators of the direct presidential elections (referendum).

When the time came for detailed negotiations on forming a government, the very first point in the documents I signed as premier-designate with the Smallholders' Party [FKgP] and the Christian Democratic People's Party [KDNP] says that they accept the MDF-SZDSZ agreement, the so-called pact. Both coalition political parties signed the agreement, just like the MDF presidium, parliamentary faction, and board. Thus, we are talking about a completely legal and constitutional agreement. The same way, the SZDSZ also informed the Federation of Young Democrats [FIDESZ]. In other words, the five parties of the Opposition Roundtable that made it into the parliament were completely informed on this issue from the night we signed the agreement. We did not involve the MSZP in everything. Many people in the MSZP objected to this, including people who sympathized with some MSZP figures or trends.

In connection with this, one should also know that a group of MSZP leaders and other politicians sympathizing with this group, even people from the governing party, thought that they would cooperate and the government coalition would be able to reach the two-thirds votes by bargaining with the so-called reform wing of the MSZP in every case. This would have been the real pact, in a pejorative meaning, namely that we would have to agree with some smaller party on passing each bill. All this is not simply a matter of constitutional law, because this formation would have undermined the stability of the entire Hungarian political system. The tail would wag the dog.

Therefore, Istvan Csurka supported the two agreements referred to as pacts, namely the Opposition Roundtable of 1989 and the SZSZ-MDF pact of 1990. He never opposed these agreements. The positions were really majority positions. Therefore, Istvan Csurka's attacks and the attacks of his "circle" in this direction are totally unjustified both morally and politically. Even if something is necessary in principle, a pact can have psychological, political, or legal disadvantages, too. However, in this case, no so-called disadvantages can be shown whatsoever because, politically, this pact provided stability and, legally, only things that we accepted can make it into the Constitution. Everything that has been included in the Constitution and in other laws is open to the public! Those who claim that, as a result of some hidden aspect, the pact policy continues to work are wrong, just like those on the other side who pretend as if something opposed the spirit of the pact, and they can draw the attention to this.

Peter Tolgyessy himself, who was one of the main figures in the negotiations, declared even before the local government elections in 1990 that the SZDSZ regarded the implementation of the so-called pact as final. With this, we also regarded the issue of the pact as closed. In May 1990, we signed the agreements with the other parties and then we carried out its legislation, something that came to an end in the autumn of 1990. There is nothing to talk about since that date.

[Balasko] How should we interpret the contradictions in the following declarations: "The Hungarians should now be converted and made to realize the reality of their own situation because only this way can we avoid utter ruin. However, for this we need the restructuring and modification of the existing parties, rather than a new party in the line of many parties...." Then we can also read the following: "The Hungarian Way Circle is an independent organization. It stipulates its operating conditions itself and it elects its officials independently, so it is only responsible to its own conscience."

[Antall] These contradictions can be solved immediately if we take Istvan Csurka's dramatic knowledge and talent into consideration, and we separate the two things in space and time. In the first statement, Istvan Csurka aims at reorganizing the MDF. He is aware of the fact that it is not so easy to organize a new party in a country with a constitution, party laws, and association rights; in addition, parties operate with budgetary support and foundations are also controlled sooner or later on whether they operate according to the declared aims and their financial sources. This is why Istvan Csurka envisaged the seizing of power by getting hold of the MDF and restructuring it, irrespective of whether he personally wanted this or not, and irrespective of whether he wanted to be the king or the kingmaker; this is almost the same in politics. He would prefer to manipulate puppets while remaining in the pose of tribune of the people. He wanted to get a basis in which he can find the legal, financial, and infrastructural means ready, means that he could use to start that certain party. Of course, by continuing to be part of the MDF.

Here comes the space-time factor: If all this fails, the next step can come, namely he sets up the circles from the Hungarian Way Foundation, then a movement from these circles, and there is the new party deriving from this movement. By declaring its desire to send deputies and also participate in the parliamentary life, the Hungarian Way made its goals clear. Any organization that intends to send deputies has the qualities of a political party. When a movement is organized within a party, a movement that has party goals, then we are talking about an idea that makes it absolutely clear that we are witnessing the placing of a cuckoo's egg, from which the cuckoo can be thrown away anytime when the one who placed it there finds it necessary to do so.

[Balasko] What can such a program be compared to: "Everyone has to belong to a circle.... Election work: hearing of deputies, analysis of their work, presentation of nominees, campaign, but it makes a difference for whom we are campaigning.... We will test everyone on real Hungarian knowledge before taking even one step in his favor. Every member of the Hungarian Way is obliged to take a tough stand and constantly represent our ideals. We are all spokesmen. We should begin like this, slowly and modestly, but always considering the final goal, namely to turn the Hungarian Way into a decisive movement, the largest movement of all Hungarians...."? Do you notice a contradition between the modest beginning and the declaration of the final goal that almost suggests a one-party system?

[Antall] First of all, this formulation sounds rather unfortunate. Secondly, I do not want to hurt anyone who possibly participated in the formulation and acceptance of this text. Regarding ideological views, certain demands probably sound good here. I do not like to use comparisons in history, but we could best quote Dezso Szabo's pamphlet published in the "Matyas Ludas Booklets," namely the article entitled "The Achievements of the Gombos Government", a satirical version of the 95 points of Gyula Gombos' [nationalist prime minister in the 1930s] national work plan, and I will quote a sentence from this pamphlet by memory: "A patriotic and intransingent Hungarian should not sit on a hot sheet because he will burn his bottom!"

What kind of goal is it to test deputies of their Hungarian heritage? What gentlemen, including Istvan Csurka, have any moral basis to test others of whether they are suitable to become deputies? If I want to characterize this program fragment succintly, I can say that this includes all the characteristics of political collectivism, namely: "Everyone has to belong somewhere." If someone analyzes these demands in detail, he will find traces of a pseudo-national phalanx system. I do not think that honest Hungarians want to take this road.

People of best intentions could have also joined the Hungarian Way, including people who did not even think of who could be behind this organization, what springs are moving it, and whose interests are represented here. Think of how many things might be involved here and where all this leads! In whose interest is it to destabilize the situation? The "right" is often supported from the left. (Good old "salami policy" [postwar communist policy involving the denunciation of mainstream parties])

[Balasko] New accusations coming from Csurka: Considerable power continues to be in the hands of the former communists in Hungary and the power of the nomenclature is latently asserted, while the MDF government coalition is only a decoration.

[Antall] I can simply say that this is not true. A dictatorship developed its system in Hungary over decades. Just like in any other society, a new class of people, a new ruling class emerged that gained political, economic, and other positions in the past decades which allowed them to exercise power. Given all this, we carried out the

changes under peaceful circumstances, but still under Soviet occupation, under circumstances when the opposition was made up of a small group of deliberately thinking and strong-willed people while, on the other side, there was a reform communist group that realized they had no hope for maintaining that economic-political-social system and, therefore, they were seeking the possibilities of carrying out a peaceful transformation. One of the factors here is that, beginning with 1988, with the exception of Kadar, it became clear to many communist leaders—from Karoly Grosz to Imre Pozsgay—that the Russian policy under Gorbachev did not desire any military intervention and wanted to avoid the use of Russian military power during the collapse of the communist regimes in Eastern-Central Europe.

Therefore, these were the two political forces that wanted to carry out a peaceful transformation through tough political bargaining and tough struggles, and they managed to do so. Public opinion, the large masses of people did not yet realize this; they did not dare to believe that the Russians would withdraw and free elections would be held here, and that we could open the way toward a parliamentary democracy and market economy here.

A similarly important element is that one cannot talk of a single category of "nomenclature" in Hungary. One must differentiate between party functionaries whose power covered everything from the highest political leadership to the county leadership and control over the work places, making up a power pyramid that covered the whole society. But we must also mention the privileged economic groups connected with this power elite, groups that were already striving for a market economy, and the new group of entrepreneurs that, following the new economic mechanism [introduced in 1968], tried to make use of the opportunities and took steps toward the third, the second, and the first market economy. These various ramifications should not be mixed up, nor should we mix up the fact that people got into important positions for political reasons.

At the end of the 20th century, a century based on modern science, there is no university or other institution in any country that would fail to require masses of various well-trained professionals. A state in which everyone is ignorant and stupid is unable to function. It is sheer madness to believe that the so-called people's democracies were able to function without outstanding experts for 40 years. In any case, they formed the minority in comparison with the masses of cadres appointed for political reasons, but they were still there nevertheless. I repeatedly said in the past decades that this regime is also maintained by its enemies. Without its enemies, this regime would have collapsed long ago.

Therefore, in the 1970's and 1980's, when the Kadar-Aczel policy realized that political commissioners are only necessary on the one side, people who generally made it to the level of county party secretaries, the leadership also had to appoint non-political figures. In other words, the entire issue of nomenclature and the relations between the political forces and the new political forces cannot be simplified the way Csurka and his followers are doing it, as if we were only some kind of decor to all this. This is out of question! Transition was similar in 1867, too, and this characterizes every historical change. I hardly believe that 15 writers, artists, philosophers, and so on would be able to organize a state.

Speaking to the other side, I must also say that the claim that representatives of the old regime constitute the masses of experts is also a huge lie. They want to make "experts" from low-level party secretaries, enterprise managers, or members of the political echelon just because, in addition to their diplomas, they have a few years of experience in state management.

Let me also say the transformation took place through a coalition agreed upon with the former state party in every former socialist country. No country has done what we did in May 1990, namely making sure that the government has no member who was also member of the former regime. By comparing us with our neighbors, I can proudly say that only Hungary has a government elected by the people during the change in the regime. In Poland, it is probably the fifth premier now struggling with the power he was put in charge of. The old experts and even politicians remained together with the new ones in the coalition governments in these former socialist countries, and this clearly shows in the conditions of these countries.

We created the unique situation in which we created a stable government with totally new people. This is no decoration! It is another matter that people of the former regime selected positions for themselves in advance in the developing new economic system and in the new enterprise system during the old regime and, using a military term, they developed a structured defense system, namely they withdrew to the rear trenches; thus, they could save various positions for themselves. Nobody denies this.

However, politics and the change in regimes are a mobile war, rather than a World War I-type of static war. One who does not know this strategy, he.... We started from a basis and we are advancing from here. We are advancing, instead of damaging our positions that are slowly emerging in this mobile war by constantly quarreling, by internally complaining, or by using illusions and demagogic charlatanry! I do not only mean the government here, but all the democratic parties because this is the greatest danger, one that favors those who either follow restoration goals or would at least like to destabilize our country.

Csurka Replies to Antall Interview

AU2403112493 Budapest NEPSZABADSAG in Hungarian 18 Mar 93 pp 1, 4

[Interview with Istvan Csurka, member of the presidium of the Hungarian Democratic Forum, by Tibor J. Keri and Lajos Pogonyi; place and date not given: "The Realm of Fear Has Come"]

[Text] According to Istvan Csurka, the realm of fear has returned in which people are worried. He said that this is why several of his colleagues left the MAGYAR FORUM editorial staff. The writer and politician, reacting to the interview with [Prime Minister] Antall, stated that a question that could also be asked is: Who should leave the presidium of the Hungarian Democratic Forum [MDF]?

[NEPSZABADSAG] Will you not leave the MDF after the Antall interview of 17 March?

[Csurka] No, no.

[NEPSZABADSAG] Will you not retire?

[Csurka] No.

[NEPSZABADSAG] In the interview, it is said that you aspire to power and an indirect hint was made alleging that you are destabilizing political life....

[Csurka] This is a strong statement but it has not been proved. What Antall says is not true in that way.

[NEPSZABADSAG] This is not enough....

[Csurka] I will answer it later. The interview is not finished yet. Let us wait for the second part. I do not know how it continues. When I read the first part of the interview this morning, I thought to myself that I had heard a large part of it many times before—for example, the section on the pacts and that they are harmless.

[NEPSZABADSAG] Is Antall not right?

[Csurka] This is not the issue. My statements never related to the background of the pacts or whether they were dishonest.

[NEPSZABADSAG] However, you are not saying that you were ardently committed to pacts....

[Csurka] The harmful consequences of the pacts should have been overcome much earlier. In such a way, for example, that the men of the former regime should not have been allowed to remain in the press, the radio and television, in the economy, or in other places.

[NEPSZABADSAG] You do not mean the Bolsheviks, do you?

[Csurka] A sweet little question. Naturally, I mean them, too. It is a fact that 19 county newspapers have passed into foreign hands.... There is still no order in the radio and television.

[NEPSZABADSAG] When will there be order?

[Csurka] When both accept that the regime is being changed in Hungary and their efforts are not directed to denying this through lies.

[NEPSZABADSAG] It [the radio] lies to such an extent that you had a program every evening last week....

[Csurka] I also had a program on the radio in the past.

[NEPSZABADSAG] Are the new leaders of radio and television pleasant people?

[Csurka] Some change has taken place.

[NEPSZABADSAG] Is this still not enough?

[Csurka] We will see. Anything that has happened so far is partly the result of my activities. You probably followed the articles published in the MAGYAR FORUM in the recent period.

[NEPSZABADSAG] Naturally.

[Csurka] In the beginning, I also supported Hankiss and Gombar [former television and radio chairmen]. However, when I saw that we were being deceived, then I realized that I had been wrong.

[NEPSZABADSAG] Who was deceived, the government or the MDF?

[Csurka] The MDF, us. What Hankiss implemented in the television was identical to what the Democratic Charter demands.

[NEPSZABADSAG] Do you agree with [Political State Secretary] Tamas Katona's statement, namely that the media need good soldiers?

[Csurka] I think that it is an impudent term. It is good journalists that are needed. If we do not have journalists who stand by us out of conviction, then we need paid soldiers.

[NEPSZABADSAG] The chief editor and quite a few other people are just leaving your newspaper, the MAGYAR FORUM.

[Csurka] Almost everyone is leaving. Fear is here again, this is a case of threat against their livelihood.

[NEPSZABADSAG] Have your former colleagues been threatened?

[Csurka] Something must have been done to them.

[NEPSZABADSAG] Who threatened them, [MDF Faction Leader] Imre Konya or Jozsef Antall?

[Csurka] On the basis of the Antall interview I ask in whose interest it is to say that the MAGYAR FORUM should either change its tone or else cease to exist?

[NEPSZABADSAG] Are you still a government supporter?

[Csurka] I am a member of the MDF's presidium. I cannot be forced to give up my conviction and stop talking about the mistakes. I do not need the kind of freedom of the press in which one is told what one can write about.

[NEPSZABADSAG] Nevertheless, you can tell what should happen in the radio?

[Csurka] If the government cannot tolerate my writing about its mistakes, then I am very sorry but I will not give up the fight. One cannot hide behind a certain party discipline and party interests.

[NEPSZABADSAG] Previously, Jozsef Antall said that the MAGYAR FORUM is more antagonistic than the opposition newspapers.

[Csurka] What I perceive is that I get the same attacks from the opposition newspapers and the liberal side as from certain groups of my own party. The tone is the same....

[NEPSZABADSAG] Who are these certain groups?

[Csurka] It is clear that it is Jozsef Antall and his group. Up to now, the situation was different because only the so-called liberals of the MDF, namely Debreczeni and Elek did not agree with me. The current Antall interview revealed that the trains of thoughts are the same—which was still being denied last week.

[NEPSZABADSAG] If you disagree on so many issues, why did you not attend the MDF's meeting at Kiskunmajsa where a number of issues could have been cleared?

[Csurka] A number of people reminded me that it would not be in good taste for me to go there. I have nothing to clear up with Furmann or Debreczeni.

[NEPSZABADSAG] In Kiskunmajsa, it was also discussed whether the nation or democracy is more important.

[Csurka] There is no order of priority. This is not a real question.

[NEPSZABADSAG] There was a time when you also considered this issue important....

[Csurka] No. For me, the two go together. One does not need to ponder a lot over this. The essence of the problem is who the property belongs to. This is the basic question of the nation and of democracy. Who will the Hungarian land and the Hungarian banks belong to? Or someone can have a say in who writes what in another newspaper and he can knock out the other's journalists.

[NEPSZABADSAG] Are we back to the conspiracy theory?

[Csurka] This is not that. However, background measures and inspired actions do exist.

[NEPSZABADSAG] Let us return to the issue of democracy for a while. In your view, do we have democracy in Hungary today, while you are talking about intimidation? Have we turned into a realm of fear?

[Csurka] You do not perceive this but this is true. Ask the people. They are worried. Some people feel that the current situation is only temporary.

[NEPSZABADSAG]) Are you also afraid?

[Csurka] No.

[NEPSZABADSAG] A number of MDF leaders, including Antall, said that you do not obey the decisions of the national meeting....

[Csurka] This is not true. Which decision of the national meeting is being observed? The reports in the MAGYAR FORUM had a moderate tone. We did not publish our opinion on the national meeting. We did not want to start a battle. Debreczeni and the liberals were saying the same old things. They annoyed me and I in turn wrote that Debreczeni is a mouthpiece.

[NEPSZABADSAG] You sharply criticized the government reshuffle in the MAGYAR FORUM.

[Csurka] Yes, I made an attack. This is not equivalent to digging up the tomahawk. Can I express my views on a government reshuffle or can I not? It was mainly the dismissal of [former finance minister] Mihaly Kupa that I did not like. It is a nonsense to put him aside after accepting the budget. The dismissal of [former cultural minister] Andrasfalvy is also unacceptable. Why is this a rough attack?

[NEPSZABADSAG] You and your colleagues committed yourselves to unity at the national meeting....

[Csurka] What kind of unity is it when an opinion cannot be published?

[NEPSZABADSAG] With whom would you go on the Hungarian Way? You have alienated a large section of the intelligentsia, you call the experts Bolsheviks, and if it were up to you, you would get rid of the economists.

[Csurka] We need Hungarian experts. It is not only the economists who should participate in governing the country. We will soon get to the point of making the deputies take an exam in being Hungarians.

[NEPSZABADSAG] On what basis do you make anyone take exams?

[Csurka] On the basis of the license of the electors. We do not want to examine the Charter members. It is not the people's past that we want to examine but their activities.

[NEPSZABADSAG] According to Antall, you do not have the moral basis to do this and he is accusing you of political collectivism....

[Csurka] This is ridiculous. Opposition commentators write such things about me.

[NEPSZABADSAG] With which party would you go on the Hungarian Way? Would it be the National Democratic Alliance [NDSZ] led by Imre Pozsgay?

[Csurka] We would go together with the coalition parties but cooperation with the NDSZ is still premature.

[NEPSZABADSAG] What is your view on the fact that Jozsef Torgyan [smallholder party politician] has founded an election alliance system called Christian National Cooperation? Some people say that this is a counter-Hungarian Way.

[Csurka] Anything that Torgyan touches becomes ridiculous. The smallholders are attracted to us. We do not discuss anything with Torgyan. We are not partners.

[NEPSZABADSAG] You often mention Trianon. Do you think that this does a lot of harm to the cause of Hungarians living beyond the borders?

[Csurka] It was not I who said that I want to be the spiritual prime minister of 15 million Hungarians. I have always spoken about the borders in the spirit of Helsinki. Eel-like politicians avoid the serious problems of Hungarians living beyond the borders.

[NEPSZABADSAG] When did you last talk to the prime minister?

[Csurka] At the faction meeting in Balatonkenese. Antall asked me if I would publish his answers to my statements in the MAGYAR FORUM. It is impossible to publish a self-interview in a newspaper—Balasko only gave his name to the interview. It should not be him [Antall] who decides who should carry out the interview....

[NEPSZABADSAG] After the ominous interview, how long can the presidium remain intact?

[Csurka] You could also ask who should leave.

[NEPSZABADSAG] Talking about the MAGYAR FORUM, there is a sentence in the Antall interview that says: "The foundations are also checked sooner or later as to whether they are operating according to their announced goals, what their resources are, and what they fund?"

[Csurka] Who "voted" and with how much money for the Hungarian Way Foundation is in a computer. We register all payments. Enterprises do not finance the Hungarian Way. The MAGYAR FORUM Publishing House, being an incorporated company, cannot receive donations. It is not making a loss. We are expecting financial inspectors to be coming soon. We are looking forward to their arrival. All these kinds of threats speak for themselves....

Annual Inflation Rate Reaches 24.4 Percent

LD2403104093 Budapest MTI in English 0811 GMT 24 Mar 93

[Text] Budapest, March 23 (MTI)—In February consumer prices in Hungary were 1.7 per cent higher than in January and 24.4 per cent up on the level registered a year earlier, the latest report of the Hungarian Statistical Office reveals.

In February 1992 the corresponding figures were 2.7 per cent and 25.8 per cent.

In February this year the sharpest growth was registered in the prices of food and services (2.5 and 3.2 per cent). The rise was mainly caused by the imposition of VAT on food products and basic services earlier this year.

As a central measure, the telephone charge was raised by 21 per cent last month.

In February, food prices were 36.7 per cent higher than a year earlier.

GDP Falls 4-6 Percent in 1992

LD2303182293 Budapest MTI in English 1433 GMT 23 Mar 93

[Text] Budapest, March 23 (MTI)—Preliminary figures show that Hungary's gross domestic product [GDP] fell by 4-6 percent last year, to HUF [Hungarian forints] 2.8 trillion, or about USD 33 billion, against a forecast decline of 0-2 percent, the Finance Ministry reported on Tuesday.

The ministry said final figures should be released in May once corporate tax statistics were compiled.

Last year, export volume rose by 1-2 percent, against a forecast 6-9 percent, mainly due to the drought which cut agricultural exports by 3-4 percent.

Imports in 1992, accounted in USD, were the same as 1991, representing a 6 percent drop in volume.

Meanwhile, domestic consumption fell by 2-3 percent, against a projected 0.5-1 percent increase, caused by the 4-5 percent drop in real per capita incomes, coupled with a large increase in savings.

Investments were down by 6-9 percent. However, investments by shareholder companies (RT and KFT) rose dramatically, with the share of imported machinery and equipment increasing.

Domestic utilisation of GDP fell by 6-8 percent, partially reflecting growing risks and more cautious investments.

gross production fell 6-8 percent, with industrial production down 10percent, and food and agricultural output down 14-16 percent.

On the outlook for this year, the ministry predicted growth in GDP of 0-3 percent, although export growth would be 2-3 percentage points below the earlier target of 5-7 percent.

This however, could be counterbalanced by a 1 percent growth in domestic consumption or a 5 percent increase in investment.

Jeszenszky on EC Membership, Visegrad, Border Disputes

BR2303154393 Brussels LA LIBRE BELGIQUE in French 20-21 Mar 93 p 5

[Report on interview with Hungarian Foreign Minister Geza Jeszenszky by Christine Dupre; date, place not given: "Hungary Awaits Deadline From EC—Interview with Minister of Foreign Affairs Geza Jeszenszky: 'Why Not a First Meeting in, Say, Five Years?'"]

[Text] "I would like the European Community to set a deadline after which integration could begin. There is no question of rushing things: Our societies first must be transformed economically and legally, as well as in terms of attitudes. However, once these changes have been made, why not have a first meeting in, say, five years?"

This was the response of Hungarian Foreign Minister Geza Jeszenszky when asked about his intentions vis-a-vis the EC. The head of the Hungarian diplomatic corps came out in favor of rapidly integrating his country into a European political, economic, and security area.

As regards Visegrad—the political-economic agreement among Hungary, Slovakia, the Czech Republic, and Poland—Mr. Jeszenszky believes "that the reservations expressed by Czech Prime Minister Vaclav Klaus primarily are a problem of wording. If he had read the document signed at the end of the first summit in 1991, he would know that there never has been any question of creating overbearing, permanent structures. There never even has been a secretary. I believe that cooperation among the four countries will increase, but Hungary will not neglect other groups, such as the Central European Initiative. We also plan to forge links with Slovenia."

Obstacle

The main obstacle to increased cooperation within the Visegrad context is the dispute surrounding the Gabcikovo Dam, pitting Hungary against Slovakia. After a months-long impasse, new overtures are now being made. In fact, there even is the prospect of a summit between Hungarian Prime Minister Antall and Slovak Prime Minister Meciar.

"The Gabcikovo debate has been over-politicized, but the diversion of waters from the Danube remains a serious affair," said Mr. Jeszenszky. "The precondition for a settlement, or even a summit, is that Slovakia accept the proposal made by the EC mediators; namely, to return river waters to a flow of 1,000 cubic meters an hour, compared to the 300 or 400 cubic meters presently flowing. We also expect Slovakia to bring its dispute officially before the International Court of Justice in The Hague."

Will the International Court be able to overlook the fact that Hungary unilaterally denounced the agreement which called for the construction of the Gabcikovo-Nagymaros Dam? However, the Slovaks are still building.

"We are not disadvantaged on either of the two points," said the minister. "We value the legal aspect of a verdict from the Court. We will emphasize the threat that the dam poses to the environment and also that nothing can stop a country from acting against its own interests. As for the Slovaks, they will see that putting their power station online will cost at lot of money, much more than the alternative of small gas-powered stations which we had suggested for the energy question."

Borders

Another source of tension is Hungary's refusal so far to officially recognize the borders established by the Treaty of Trianon [post-World War I international peace treaty]. Why does it not follow Mr. Genscher's example with the Oder-Neisse line?

"We have recognized these borders hundreds of times, not only by signing the Helsinki accords but also orally! The truth is that the remaining confusion is the only thing that we have to guarantee a future for the Hungarian minorities living not only in Slovakia, but also in Mr. Iliescu's Transylvania, and Mr. Milosevic's Vojvodina. There is constant pressure on them, and it is our moral duty to support them. If an official document were created, I fear that their situation would worsen like it did in Romania after the signing of the 1947 treaty. Of course, the situation would be different if our neighbors—especially the former Czechoslovakia—agreed to pay compensation to the Hungarians expelled from their territory after World War II, and especially if they granted a large amount of autonomy to the regions where Hungarians are a majority."

NATO's Woerner Views Pact Expansion, Poland

AU2303125093 Warsaw GAZETA WYBORCZA in Polish 17 Mar 93 p 6

[Interview with NATO Secretary General Manfred Woerner by Malgorzata Alterman; place and date not given: "On the Threshold of the Pact"]

[Text] [Alterman] You met Polish Foreign Minister Krzysztof Skubiszewski recently. What did you tell him about future relationships between NATO and Poland?

[Woerner] The minister and I have become friends. We discussed relationships between Poland and NATO. I think he and I both agree as to the path that has been chosen. We expressed a readiness for close cooperation in the security sphere. We also discussed the currently important issue of peace missions. We agreed to support this year's program of action by the North Atlantic Cooperation Council (NACC), to which, apart from the NATO countries, the countries of Central and Eastern Europe, including Poland, belong.

We both view the development of our relations as a process that is steadily progressing. The Polish foreign minister realizes that for the time being NATO does not plan to expand its membership, but he also knows that this might happen in the medium or long-term.

It seems obvious that if NATO does decide to accept new members, Poland will be one of the first candidates.

[Alterman] In how many years time might this happen?

[Woerner] I do not like giving exact dates because it depends not on my personal opinions, but on a consensus by all 16 NATO member states. It will depend on the international situation and on the kind of new role and new missions that NATO adopts.

[Alterman] Do you think Poland will join NATO before it joins the EC? Is there a political link between membership of both organizations? If Poland were to join the WEU already as an EC member, would it automatically become a NATO member?

[Woerner] Of course. If Poland joined the EC, and then the WEU, the question of NATO membership would immediately arise. There is indeed a certain link, as you mentioned, but it is not political. The EC decides on membership according to its own rules, and NATO decides according to its rules and judgments. Nothing is automatic.

[Alterman] Do you imagine NATO extending us official security guarantees?

[Woerner] Formal security guarantees are the basis of NATO membership. If we decided to extend such guarantees to any country, it would mean we are considering accepting that country into NATO. Obviously, by belonging to the NACC, you are increasing your security chances. I keep saying that security is indivisible, and I think that if Poland ever found itself in danger, we would not remain indifferent.

[Alterman] What do you think of the situation in Russia?

[Woerner] I am worried about the power struggle there, and I can only hope that the Russians find a solution that provides a victory for the forces of democracy who guarantee a continuation of the reforms.

[Alterman] Does the situation in Russia pose a problem for NATO's security?

[Woerner] No, our security does not seem to be directly threatened, but of course stability in Russia is the main factor in the stability not only of the NATO countries, but also of the entire Eurasian land mass. An unstable and weak Russia does not lie in our interests, but a healthy and prosperous Russia dies.

Of course I mean a Russia in which human rights are respected, a Russia which exercises restraint in its foreign policy. We have offered Russia partnership with this prospect in mind. We will cooperate with Russia provided that the country remains on the path of reforms, and then we will try and help the Russians.

[Alterman] Could Yeltsin's defeat mean a return to the cold war?

[Woerner] I think Yeltsin is a good president, so I hope he remains in office and will be capable of continuing the work on the democratic reforms. However, as NATO secretary general, I do not like speculating on possible internal developments in Russia.

[Alterman] What role could Poland play in its location between NATO and Russia?

[Woerner] An important one, considering its geographical position, history, and cultural and historical links with Russia and the West. In many respects, Poland may serve as an example because of its progress on the road to democracy. I have in mind the economy as well. We are counting on a stabilizing influence of Polish politics.

[Alterman] Do you mean Poland as a buffer, or as a bridgehead?

[Woerner] Any comparison or metaphor has its weak points, but if I had to use any particular metaphor, I would rather use bridgehead rather than buffer. The term "buffer" does not suit me at all.

[Alterman] What do you think of Polish efforts to establish good relations with its eastern neighbors?

[Woerner] We support this policy whole-heartedly. I think it is a very intelligent political move. NATO wants Poland's relationships with Russia, Belarus, and Ukraine to be as good as possible. We want stability in the entire Euro-Atlantic region. We are trying to establish friendly relations with all our partners in the NACC, including Russia.

[Alterman] NATO has offered its services in future peace missions in Bosnia. Do you think this will be the first big operation of its kind?

[Woerner] Supporting UN operations by means of our navies, we are supervising the Yugoslav embargo. We are controlling the airspace over Bosnia and Herzegovina, supplying information to the United Nations. We have placed a part of our headquarters at the disposal of UNPROFOR units. We have already said on many occasions that we are ready to impose a ban on flights in air space specified by the United Nations. We are currently preparing for the implementation of a peace plan in case the United Nations establishes such a plan and asks for our support. Of course we are capable of doing a lot more, but it all depends on UN decisions.

[Alterman] What would such an operation look like in practice?

[Woerner] If we are to take part in it, we want to do so effectively. We want to have command over operations, but of course on the initiative of the United Nations and under their political auspices and overall control. We do not want to do this alone, and we have made it clear that we would like to see other elements taking part in this operation. A single command is essential because of efficiency, not because we want to have a monopoly over it.

[Alterman] Do you see the possibility of Russians taking part?

[Woerner] Yes, they could indeed do so, just like the Poles.

[Alterman] You told the BBC recently that about 50,000 solders could be involved in a Bosnian operation.

[Woerner] The BBC said 50,000, not me. I have always refused arithmetical speculations. The number of soldiers would depend first of all on the nature of the peace plan, second on an agreement by the parties to this plan, and third on the principles for the use of NATO forces in UN operations.

No responsible person can indulge in guesswork about the number of soldiers, and I am no exception. Before stating numbers I would have to know the facts. One thing is sure; if the operation is based on the Vance-Owen plan, it will need a very large number of soldiers.

[Alterman] The joint planning of peace missions is supposed to be one of the new tasks of the NACC.

[Woerner] Poland has a lot of experience in peace missions, so we can avail ourselves of this experience in our cooperation with Poland. We have just commenced talks which I think will lead successfully to joint actions, exercises, and exchanges of experience. Concrete decisions during our talks should emerge toward the end of the year.

[Alterman] Could a change of power in France after the elections mean a change of attitude among the French toward NATO and help overcome their distrust of the United States?

[Woerner] There is already a favorable trend over there. France is fully and actively taking part even in the NATO Military Committee and all NATO peace missions. So there is definite progress. The next step could be the French defense minister's membership of the Defense Planning Committee and Nuclear Planning Group, as is the case with Spain, which, although not militarily integrated with NATO, nevertheless fully participates in the NATO structures I have mentioned. The decision rests with the French. Therefore I look forward with optimism to changes in French policy vis-a-vis NATO.

Goryszewski Briefs EC Commissioner on Customs Reforms

LD2303202993 Warsaw PAP in English 1610 GMT 23 Mar 93

[Text] Warsaw, March 23—EC Commissioner for Taxation, Customs Union and questions relating to obligatory levies Christiane Scrivener, on a two-day visit to Poland, met on Tuesday with Deputy Prime Minister Henryk Goryszewski to discuss general problems linked with the process of the implementation of the treaty on Poland's association with the EC.

Deputy Premier Goryszewski, responsible for economic affairs, speaking to journalists after the meeting said that while discussing the customs reform, he had stressed that "the point is not to increase tarrifs and create a customs barrier, but to eliminate the mistakes of the previous reform, within the liberty provided by the association treaty and by Poland's affiliation to the General Agreement on Tariffs and Trade (GATT)."

The deputy premier expressed the opinion that "the development of the EC through a further integration, if it was to be the only priority blocking the development in breadth (that is through the increase of the number of member states) would mean that our generation will replace the Yalta curtain with a curtain of a new type dividing Europe."

"This would mean that conflicts and tensions would find themselves near Western European national territories," said Goryszewski adding that the increase of the number of EC member states would move away such conflicts away from those territories.

Iliescu, Vacaroiu Receive Andronati Delegation

AU2303193093 Bucharest Radio Romania Network in Romanian 1800 GMT 23 Mar 93

[Text] This evening, Romania's President Ion Iliescu received Mr. Nicolae Andronati, first deputy prime minister of the Government of the Republic of Moldova. The talks were attended by Mr. Teodor Melescanu, minister of state and minister of foreign affairs and by Ambassador Traian Chebeleu, presidential counselor on foreign policy issues. The meeting was also attended by Mr. Aurelian Danila, the ambassador of the Republic of Moldova in Bucharest.

In his statement to the press at the end of the meeting, Mr. Nicolae Andronati said that the talks mainly focused on all the aspects of bilateral relations and a particular emphasis was placed on economic issues. In this respect the guest mentioned that he had informed the head of the Romanian state about the stage of the proceedings of the Inter-Governmental Council Between Romania and Moldova, whose working protocol has been signed today. Referring to the importance of signing the protocol, he said that this will facilitate the process of speeding up the gradual integration of the economies of the two countries.

This afternoon, Prime Minister Nicolae Vacaroiu met at Victoria Palace with Mr. Nicolae Andronati, first deputy prime minister of the Government of the Republic of Moldova and president of the Council for Coordinating Economic Relations Between the Republic of Moldova and Romania, who is leading a governmental delegation that includes several members of the Moldovan Government. The meeting was attended by Romania's Foreign Minister Teodor Melescanu, coordinator of the Interministerial Committee for Romania's Relations with Moldova.

Ties Discussed

AU2303153893 Bucharest Radio Romania Network in Romanian 1100 GMT 23 Mar 93

[Text] [Announcer] The first round of the meeting between the Interministerial Committee for Romania's relations with Moldova, coordinated by Mr. Teodor Melescanu, minister of state and minister of foreign affairs, and the Council for Coordinating the Economic Relations Between the Republic of Moldova and Romania, led by Mr. Nicolae Andronati, Moldovan first deputy prime minister, took place at the Romanian Ministry of Foreign Affairs this morning. The sides examined key issues regarding cooperation between the two Romanian states in various fields and ways and means to deepen economic integration and consolidate the common cultural and intellectual space. The main actions agreed upon will be included in a bilateral protocol to be signed this afternoon.

At the conclusion of the first round of talks, Nicolae Andronati told our reporter Raluca Dana Cotrut:

[Begin recording] [Andronati] The meeting was very important for our Republic of Moldova and I believe that all the questions raised today, and those that have emerged during the past year, well, how shall I put it, we drew up a balance sheet of all of them, and I believe that the time has come to give an impetus to more determined and concrete actions.

[Cotrut] What issues did you discuss?

[Andronati] We discussed science, technology, industry, agriculture, transportation, trade, culture, energy, and so forth. [end recording]

[Announcer] For his part, Melescanu said:

[Begin recording] [Melescanu] Hello.

[Codrut] Are there any specific targets for this meeting?

[Melescanu] Yes. They can be categorized in two ways. First, we will try to see what we can concretely do in all fields to give perspective to the all-round ties between Romania and Moldova. Therefore, we will discuss a great many specific issues between our ministers and the representatives of our ministries. Second, we are striving to achieve a certain change in the way these matters are dealt with. At this meeting, we want to agree on a new mechanism, a kind of structure, as it were, that can facilitate the development of overall relations. This mechanism could take concrete shape with the creation of various working groups per sector and problems, operating adjacent to the existing interministerial committees, which will probably continue to meet quarterly—as we want to suggest Mr. Andronati—alternately in Bucharest and in Chisinau. Well, these working groups should discuss specific problems such as: energy, agriculture, transportation, telecommunications, education, and culture. They should directly coordinate matters in these fields and brief us on achievements and difficulties in these spheres. Therefore, we hope that we can set things in motion both in the plane of the organizational concept of our bilateral relations and in certain practical issues. We hope that, at the end of today's activities, we will be able to sign a protocol that includes the specific issues on which an understanding has been reached and this new cooperation mechanism, so to say. I would like to add that there are a lot of specific problems that will be broached in our talks.

[Cotrut] Are these problems only of an economic nature?

[Melescanu] The problems are economic and they also relate to cadre training, finances, banking, customs, the speeding up of traffic between the two countries, tourism, sports, youth, participation with teams, and so forth. I hope that, at the end of the day, we will be able to come up with concrete results, to the extent that we agree on various actions. [end recording]

Steps Toward Integration Favored

AU2403095193 Bucharest ROMPRES in English 1911 GMT 23 Mar 93

[Text] Bucharest ROMPRES 23/3/1993—Tuesday afternoon, 23 March, the prime minister of the Romanian Government, Nicolae Vacaroiu, received the governmental delegation of the Republic of Moldova headed by Nicolae Andronati, deputy prime minister of the Government of the Republic of Moldova, chairman of the Council for the Coordination of Moldova's Economic Relations with Romania.

From the Romanian side present were also Foreign Minister Teodor Melescanu in his capacity of chairman of the Romanian Interministerial Committee for Romania's Relations with the Republic of Moldova, and Secretary of State Napoleon Pop, head of the Department for European Integration.

On behalf of the Republic of Moldova, present at the meeting were a large number of cabinet members: Sergiu Certan, minister of national economy; Ion Casian, minister of information and telecommunications; Nicolae Matcas, minister of education and science; Petru Sandulache, minister of youth, sport and tourism; Leonid Talmaci, governor of the National Bank; Tudor Slanina, minister of trade.

The sides examined matters of common interest regarding the intensification and extension of cooperation between the two Romanian countries and the complex integration at all levels of their economies.

In a statement for the press given at the end of the meeting, Romanian Premier Nicolae Vacaroiu said the concrete aspects of the cooperation between the two countries in 1993 and later would be solved by more frequent meetings focused on concrete and expeditious ways of action: "We are trying to reactivate all the cooperation possibilities and to find new ways to share with Moldova a number of projects their specialists are conducting in other republics of the Commonwealth of Independent States (CIS)."

Romania's prime minister also referred to a meeting in Chisinau with his Moldovan counterpart Sangheli, an opportunity for the two premiers to tackle and solve the complex aspects of their countries' commercial cooperation. The prime minister termed the dialogue as "very positive, sincere, like between brothers."

Moldova's Deputy Prime Minister Nicolae Andronati stressed that his delegation were very satisfied with their meetings in Bucharest and said he saw this meeting as a new opportunity to boost the relations between the two Romanian states, while pointing out to the need for more frequent contacts to make it possible for the two economies to integrate better and faster. Deputy Prime Minister Andronati said "I think the time has come for us to take concrete and resolute steps on the path towards integration."

Bilateral Protocol Signed

AU2303211293 Bucharest Radio Romania Network in Romanian 1800 GMT 23 Mar 93

[Text] This afternoon, the ceremony of signing the bilateral protocol between the Interministerial Committee for Romania's Relations with the Republic of Moldova and the Council for Coordinating the Economic Relations Between the Republic of Moldova and Romania was held in Bucharest.

The document was signed by the coordinators of the two interministerial bodies, namely Mr. Nicolae Andronati, first deputy prime minister of the Government of the Republic of Moldova and Teodor Melescanu, minister of state and foreign minister of Romania.

The protocol includes specific actions that have been agreed upon during the talks between the two governmental delegation. The relations between Romania and Moldova in the fields of economy, energy, industry, agriculture, transportation, commerce, finance and banking, and cooperation in the fields of technology and science, training cadres, ensuring study books and cooperation in the field of tourism, sports, and improvement of traffic of goods and passengers at the border crossing points on the Prut River are emphasized in the document.

After signing the document, Mr. Nicolae Andronati and Teodor Melescanu made brief statements. Here is Mr. Nicolae Andronati's statement:

[Begin Andronati recording] I am very glad that today's visit has concluded with this working protocol in various areas, starting with commerce and ending with industry and all the other areas that make up Moldova's national economy. I believe that after we have signed the protocol today, cooperation will proceed at a more rapid pace, and I believe that this is an impetus during these historical times which bring Romania and Moldova closer to prosperity. [end recording]

In turn, Mr. Teodor Melescanu made the following statement:

[Begin Melescanu recording] In a few words I would like to stress that what has happened today, that is Mr. Andronati's visit to Bucharest, is a beginning from several points of view. First, it is for the first time that the two committees that have been set up in Moldova and Romania to coordinate relations between our countries have held such a meeting, which is attended by very many responsible officials of our governments. You have to excuse me, Mr. Andronati, for repeating your joke, but it is almost easier to name the members of the Moldovan or the Romanian Government that have not attended the meeting. Yes, it is much easier and simpler. Second, it is a beginning, because by signing this protocol, we have created together with our Moldovan colleagues a permanent structure of cooperation, a structure that will include a system of quarterly meetings between the two committees that will take place, we hope, alternatively,

in Bucharest and Chisinau. Likewise, a number of working groups on specific issues have been set up. These groups will study concrete ways of solving problems of cooperation in various areas. Thus, we discussed and agreed upon certain concrete areas of cooperation, we created today a mechanism that we hope will make a contribution to the intensification of our cooperation and will accelerate the economic integration between Romania and Moldova, and third, we had the opportunity to discuss certain possibilities to develop this cooperation in the future, in specific areas, also on third markets in the former Soviet Union, within European counties.

It gives me a great pleasure to thank Mr. Andronati again for this visit and thank all our collaborators and colleagues who in fact carried out the major work and thus allowed us to sign this document. Thank you very much. [end recording]

Iliescu Discusses Relations With Hungary

AU2403100393 Budapest MAGYAR NEMZET in Hungarian 19 Mar 93 p 7

[Interview with Romanian President Ion Iliescu, by Janos Gyarmath; place and date not given: "The Signing of the Basic Treaty Would Be a Turning Point in Relations Between Our Two Countries"]

[Text] [Gyarmath] Mr. Iliescu, the process leading to Romania's full integration in the European structures has accelerated visibly recently. After your visit to NATO in Brussels and to the other European integration organizations, you firmly declared that integration would place great burdens on Romania; moreover, for some time, Romania might have more disadvantages than advantages from this. Do you think Romania is ready to fulfill the rather strict EC norms?

[Iliescu] It is true that our products will have to meet the requirements of a very demanding market; consequently, we must make great efforts in all areas. The very status of associate membership is essentially a self-flagellation that we must accept, and it is a good thing if we want to modernize our economy and we want to fulfill the two major requirements, namely achieve technological competitiveness and an economic competitiveness comparable with that of the developed countries. We must know that nobody will help us in this endeavor and nobody will make any concessions. The Romanian goods will only penetrate a market to the extent they are able to meet the requirements. Obviously, all this requires rapid technological development and, in my view, we are unable to catch up with the developed technologies on our own. Therefore, we must do everything in our power to apply various forms of economic cooperation and create mixed enterprises, mainly with firms that guarantee top technology for us.

Components of Social Welfare

[Gyarmath] Integration, which cannot be imagined without economic restructuring, new technologies, higher productivity, and a more efficient manpower management, is probably accompanied by new social tensions and requires more sacrifices from the population. The question is whether the population is willing to make these new sacrifices.

[Iliescu] Desire is not enough in solving the social issues; we need much more than that. First of all, we must create an economic framework and discover the resources that will enable us to develop a social welfare network. One does not achieve anything by merely expressing good will. The issue is simply the following: If we want to live better, we will have to make greater use of our creative capacities and we will have to do more to make better use of the financial and manpower resources of our people's economy. If we succeed in this, our case is as good as won, because everyone gets more if more things are available, and vice versa. If, for some reason, we are unable to do this, we will find ourselves somewhere on the periphery; this is not impossible at all. Let us take a look around us and examine the world economy! General progress and the progress of developed countries cannot hide the other extreme either, the masses of poorly developed countries and the poverty. Nothing guarantees that we cannot become one of them. Of course, I am optimistic, first of all because the capacity and the manpower of the Romanian economy are at a much higher level. However, if we lack the necessary will, if we fail to cooperate on the level of society as a whole, and if we fail to make use of our resources, we will inevitably drift toward the periphery. I hope this will not take place and I hope that sufficient desire to catch up with the developed countries will emerge in our society as a whole and at the level of individuals.

[Gyarmath] In addition to economic integration, we also took steps toward European structures in the area of political integration. The Romanian approach involves many conditions in this area too. First, Romania is required to guarantee human rights, including national minority rights. In addition, we have been witnessing a lot of changes in this area recently. New internationally-binding norms have been worked out recently, and new ones will be worked out, and these norms are compulsory for the members states and for those who aspire to full membership. Is there a will in Romania to fully adhere to these international norms?

[Iliescu] I think that we can already show a lot of achievements and facts attesting to Romania's democratization and, as a result, Romania can already be listed among the democratic countries. We created the bases of a pluralistic society in a rather short time, and the institutions of democracy, parliament, and legal practice have also emerged. A constitution emerged as a result of lengthy and tough debates, and with the involvement of famous foreign experts, a constitution that the world regards as modern and in line with the requirements of

the end of the 20th century. Obviously, this process, the process of democratization, is irreversible; at the same time, it is also a dynamic process that essentially can never end. The classic democracies of the West are still facing numerous problems and unsolved issues, and this shows that there is no such thing as perfect democracy; one can only aspire to such a democracy.

At the same time, I think that, regarding minority rights, Romania is already fulfilling these demands at the highest international standards. From this point of view, nothing justifies the inferiority complex; moreover, I would say that there are not many countries in Europe that can say that they settled these issues at the level of Romania. For example, I do not know how many countries in Europe can say that their national minorities are represented in parliament. Not even the neighbors who are trying to lecture us on this can say this about themselves! Nor do I know how many countries in Europe guarantee the right for their national minorities to learn in their mother tongue at all educational levels. Some countries do not even plan something like this, because they consider such attempts to be non-European, obsolete, separatist, and segregationist experiments. However, this is the practice in Romania, because we take into consideration our historical traditions and the practice that emerged in place and time, and we accept all this without any reservation. At the same time, certain exaggerations and sectarian manifestations are far from being in harmony with the European spirit.

Because, on the one hand, we are witnessing a general European integration and an integration of peoples. And what do we see on the other hand? We see separatist and national segregation tendencies, something the RMDSZ is also striving for. I do not think that this is the modern spirit and the modern understanding of issues that should be at the basis of coexistence between every member of the society and every citizen of the country, a coexistence based on mutual respect and active cooperation. Therefore, I would like to stress that, without reservation or prejudice, we are ready to create the broadest possible framework for every citizen of our country, including the national minorities, to enjoy their human and freedom rights, but we will not support segregationist and separatist tendencies, and tendencies aimed at isolating small communities like the Bantus [bantusztanizalas]. Local autonomy regulated by the law, something that has essentially emerged with the local council elections and the creation of local administration bodies, is one thing; ethnically-based separatism is another thing altogether. To me, this seems to be not only an obsolete and a non-European step, but also one that takes us back centuries and one that benefits neither the national minorities nor the coexistence between the majority and the minority population. At the same time, I would like to stress that the communities are not limited in any way whatsoever in preserving and promoting their spiritual identity. It is possible that there are still such problems in some villages or some mayors' offices. But there is a long road from here to creating tensions and undermining mutual lack of confidence, and this road does not benefit the democratic development of society in any way whatsoever.

There Is No Cultural Restriction

[Gyarmath] As you know, there has been a lengthy debate in the RMDSZ on the goals of this organization, until they agreed on the concepts of cultural autonomy and territorial self-government. It transpires from what you have said that the issue of cultural autonomy cannot be solved.

[Iliescu] It can be solved, because it already exists. There is mother-tongue education, and everyone can choose freely whether to study in a Hungarian-language school or a French-language school. There are no restrictions whatever in this area. There are Hungarian educational institutions, and there are Hungarian-language publications. Hungarians, the largest national minority, are represented in the political bodies, the legislative bodies, and the bodies of self-government. Therefore, there are no impediments to anyone making use of cultural autonomy opportunities, because he can celebrate the major events of his ethnic history. Therefore, I see no restrictions whatsoever.

The Essential Elements of Security

[Gyarmath] After the disbanding of the Warsaw Pact, the countries in this region had to reevaluate their military, security, and foreign policies. Romania did the same. Which elements determine Romania's military and security policy today?

[Iliescu] In formulating the security policy for a country of the size and geostrategic position of Romania the political factor is decisive. Thus, given the fact that the ideological confrontation between the opposing military blocs and the two halves of our continent has ceased to exist, Romania has been strengthening its contacts with the international organizations, mainly the European organizations, NATO, the Western European Union, and the Council of Europe, and Romania is an active participant in the CSCE process and supports the efforts of European security and cooperation. At the same time, Romania is striving to develop a system of bilateral friendship agreements mainly with its neighbors. We think that these legal agreements (which regulate our cooperation, political and economy relations, and our peaceful coexistence in our region and on our continent) represent an essential element of our security policy. At the same time, we also pay adequate attention to the defense systems and our military structures, to make sure that these can adjust to the new situation. However, we hope that their importance will not exceed the psychological role and we will never need to use arms to defend our territorial integrity. Of course, it is part of our responsibility to our homeland to make sure that the military component of our security policy proves to be equal to the task. We start from this requirement when we modernize the structure and equipment of our army and when we call for it to be mobile. However, I would

like to repeatedly stress that I hope it will never come to mobilization, all the more so because integration in the European structures, the creation of an atmosphere of mutual confidence, and the assertion and preservation of mutual interests are endeavors common to us and to the other countries in the region. Our neighbors are also struggling essentially with similar problems of political, economic, and social changes and, in this connection, cooperation and good neighborly relations are mutual interests.

[Gyarmath] The Romanian press has lately been virtually inundated by speculation according to which numerous secret alliances have emerged in which two or more countries aim at redrawing the map of Central Europe in the near future. According to the published scenarios, there is already a Bonn-Moscow axis, and an Istanbul-Vienna-Bonn axis, and a Moscow-Belgrade, and even Bagdad axis. Can one imagine today that European countries are working on dividing up Europe anew?

[Iliescu] Unlike journalists, I cannot allow myself the luxury of drawing such conclusions, first of all because, without specific facts, such things are mere delusions. Therefore, all I can say is that I do not have specific information that would lead me to draw such conclusions. It is another matter that the thought of secret alliances and hidden intentions appears among people. This is a historical legacy because, in the course of history, in many cases, the big powers vied for dominant positions mainly in the European region. We should also remember that, over the course of centuries, Romania was in the sphere of interest of several big powers and empires, and Romania was repeatedly the victim of these powers' expansionist intentions.

Therefore, bitter experience is what fills the people with suspicion and, thus, they see a prepared scenario behind every political action. However, this does not have much in common with today's reality and, therefore, lacking any facts, I would not get into analyzing this in detail. Thus, all I can state is the facts, namely that the military blocs have disappeared, ideological confrontation has ceased to exist, and a process has begun that we should encourage with all our power, namely, a political and economic all-European integration process; but efforts toward general security are also a fact. Thus, on the basis of the principles laid down in Helsinki and Paris, we must do our utmost to develop normal relations with every country in Europe and to avoid tensions.

Common Interests Are More Important Than Divisions

[Gyarmath] You repeatedly mentioned that settling the relations with its neighbors is one of the basic principles of Romanian foreign policy. For almost three years talks and negotiations have been going on between Romania and Hungary on formulating and signing the new basic treaty, without spectacular results so far. This shows that there is still no agreement or views differ on a number of issues. Can we expect a breakthrough in this area soon?

[Iliescu] I think that everything that happened and that is happening is unnatural, especially the fact that the lack of confidence between our two countries is not diminishing. On the contrary, it is again on the rise and is being revived. Although tensions appeared in the course of history, tensions that left deep marks on the soul of the people, of our nations, we have been living together essentially in the same European region for several centuries. Therefore, I say that our common interests are more important than the things that divide us and could lead to a conflict situation. Personally, I very much regret that my repeated offer did not meet with understanding, namely to meet at the highest level to openly discuss all the issues that concern our countries, and to examine the largely identical processes that are taking place in our two countries, and to seek solutions to the serious problems of the transitional period. We could have found time also to draw the legal framework of the basic treaty stipulating the cooperation and relations between our two countries. Each time, the other side argued that a summit meeting is a sensitive issue that must be prepared thoroughly and must be preceded by other steps. As a result, we have been ambling about for three years but we do not find the suitable moment to meet and talk. I do not understand this reserved attitude and reservation, something that has become a source of suspicion and lack of confidence in itself.

Nor did I understand the attempt to throw the ball in the neighbor's court by claiming that lack of progress was exclusively due to the Romanian side. I have repeatedly offered to break the ice and show an example. Let the presidents and the premiers meet and let us give an impetus to the foreign ministry apparatus and government bodies to examine the debated issues concretely, avoiding ideological and political debates. Let the theoretical experts, the historians, the social scientists, and the political scientists do all this, confront each other and argue, and help each other understand the essence of things, while we solve the concrete issues. This has not yet taken place, but I am optimistic. Probably the preliminary election struggles and the domestic political confrontations will continue to lead to reservations. Nevertheless, I hope that wisdom will prevail after all, and we will overcome our differences and move the issue of the basic treaty forward. Besides, we have already discussed the whole of the basic treaty, only a few issues of principle have been left to discuss. I do not understand why several responsible Hungarian statesmen display reservations in concretely stipulating the inviolability of our borders in the treaty, after the same statesmen clearly declared this. Therefore, if there is political intention for this, we could finalize the basic treaty, and we could find solution to these small elements too, and this would mean that we could sign the document in the course of this year. The signing of this treaty would represent a turning point in our bilateral relations and would create an atmosphere of dialogue and confidence.

No One Has To Give In

[Gyarmath] As far as I know, the experts failed to agree on two issues. You mentioned one of them, the issue of borders; the other issue is connected with respecting the rights of the Hungarian national minority in Romania. In your opinion, can these issues be a matter of bargaining at all? If not, then who will be the one to give in?

[Iliescu] Neither side has to give in on this matter. We have a real political desire and will to get past this moment without hurting the interests of either side. However, one should understand the issues that belong to the internal affairs of a state and the issues that are elements of good neighborly relations and mutual respect between states. If we start from these principles, I would say that there are no questions that cannot be solved in a bilateral treaty.

[Gyarmath] Precisely in the spirit of what you have just said, independent Romanian, Hungarian, and American experts met recently and discussed the chances of closer cooperation between our two countries. It was said during this meeting that, for the first time in history, a cooperation agreement can now be signed at our own good will, without the interference of big powers.

[Iliescu] It is also my personal opinion that we do not need others, and we are capable of a dialogue ourselves, and of solving every controversial issue together, without interference. The recognition of the fact that we can only join the European structures together also prompts us to do this. Settled relations can only help us in achieving our mutual goals.

[Gyarmath] Although not officially, the Romanian and Hungarian foreign ministers will meet in Gyula on 20 March. Are there any chances of steps being taken in the direction desired by both sides, for some kind of an agreement?

[Iliescu] Obviously, this is our desire, and we hope concrete steps will emerge.

Minister Melescanu Views Talks in Hungary

AU2403101693 Budapest MAGYAR HIRLAP in Hungarian 22 Mar 93 p 3

[Interview with Romanian Foreign Minister Teodor Melescanu, by "S.I."; place and date not given: "The Road To Western Europe Passes Through Budapest"]

[Text] [MAGYAR HIRLAP] Have your talks with Mr Jeszenszky brought a breakthrough?

[Melescanu] I would say that these talks represent very important progress. They reflect the changes taking place in both Hungary and Romania. Both countries are accelerating their integration in the Western European organizations.

[MAGYAR HIRLAP] After free elections, a leading Hungarian politician declared that, for Romania, the road to Europe passes through Budapest. The Romanians were offended by this statement, but now it seems that Romania indeed wants to improve its relations with Hungary. Is this really the case?

[Melescanu] Yes. It is possible that we did not like the style in which this idea was expressed, but it is obvious that, for Romania, the road to Western Europe does pass through Budapest. But I can add that, for Hungary, the same road passes through Bucharest, because we have to understand that our joint integration in the EC requires an improvement in our bilateral dialogue. Western European countries will also judge us according to our ability to talk to each other in a civilized and European way.

[MAGYAR HIRLAP] Do you think that participation in cooperation like the Carpathian Euroregion would serve the same goal?

[Melescanu] Yes, if certain conditions are fulfilled. The Euroregions could represent an important contribution, but it is necessary for this cooperation to take place under some auspices. The Euroregion is a good means, but we need an umbrella over it. Romania cannot integrate in parts. Romania must integrate as a whole. Once we get this (joining the European integration), our participation in regional cooperation will also improve. Regional cooperation presents no problem at all for us. From that moment on, we can have easier terms for certain regions. However, until then, it is difficult. In my opinion, if Romania could participate in the Visegrad group, it would greatly facilitate cooperation.

Hungarian National Day Celebrations Viewed

AU2303122893 Bucharest AZI in Romanian 17 Mar 93 p 1

[Article by Dumitru Toma: "Aron Gabor's Banner"]

[Text] The new president of the Democratic Union of Hungarians in Romania [UDMR], Bela Marko, made his first public appearance on 15 March in Gabor Aron [Transylvanian Hungarian national freedom fighter in 1848] Square in the town of Tirgu Secuiesc, Covasna County, at a rally attended by about 10,000 people. According to the UDMR leadership, the rally was organized to celebrate "the anniversary of the outbreak of the [1848] Hungarian revolution, which is a national holiday for all Hungarians throughout the world, irrespective of where they live." The statements made by the UDMR leader, who plays his role of the wolf in a sheep's clothing well, were moderate this time, stating that "We are celebrating 15 March for our sake alone, and not against anyone," and that "The rise of one nation does not imply the fall of another." Such statements proved inadequate to inflame the "patriotic" spirits of those who attended the rally bearing the insignia of Hungary, so it was up to Ladislau Incze, the president of the UDMR Covasna County organization, to do that. He did so beneath a statue of Aron Gabor—which was surrounded by Hungarian and Romanian flags—in the square of the same name in Tirgu Secuiesc, by expressing his "attachment" to Romania and the Romanian nation in the following

words: "Out of respect for the Romanian nation, we have hoisted the Romanian flag as well, but the other one (the Hungarian flag—editor's note) is closer to us; Aron Gabor set out to war under that flag."

This year there were extremely extensive celebrations of 15 March [currently Hungary's national day] on Romanian soil. The UDMR "propaganda cabinets," namely the "Hungarian-language" churches, engaged in the "most feverish activity" to that end. In Harghita County—which is in the neighborhood of Covasna—for instance, in the towns of Miercurea Ciuc, Odorhei, Cristuru Secuiesc, Gheorgheni, Ditrau, Balan, and in many other localities, they organized large rallies preceded by religious masses in their churches, supported by a number of the most provocative items published in the Hungarian-language press. For instance, a paper published in Miercurea Ciuc carried an interview with "the prime minister of the 15 million Hungarians" and especially of those living in Transylvania.

Compared with previous years, the celebration of 15 March by UDMR has undergone qualitative changes in the spirit of the ideas expressed by the [15-17 January] third UDMR convention in Brasov, laying special emphasis on their greatly desired autonomy. We should perhaps also mention the fact that the rallies, especially those in Harghita County, were also intended—although it was not openly admitted—to commemorate the third anniversary of the Tirgu Mures events [ethnic clashes between Romanians and Hungarians] and to honor its "heroes" who are currently sitting behind bars for the atrocities they perpetrated during those events.

One thing is certain: They had a very good time on 15 March in Covasna and Harghita counties. The Hungarians really felt at home. However, one question ought to be asked: How did the Romanians feel when they heard the patriotic poem entitled "Rise, Hungarians" [reference to a well-known poem of Hungarian national poet Sandor Petofi]? In order to receive a competent answer to that question, Bela Marko should perhaps recite that poem to Iliescu, and let us hear what he has to say about it.

Ban on Anthem Violated

AU2303133893 Bucharest EVENIMENTUL ZILEI in Romanian 17 Mar 93 p 4

[Article by Bogdan Eduard: "On 15 March, In Spite of Mayor Gheorghe Funar's Orders, They Sang Hungary's National Anthem"]

[Text] The 15 March celebrations [the outbreak of the Hungarian revolution against the Habsburg empire in 1848] began in Cluj at 1000 [0800 GMT], when a UDMR [Democratic Union of Hungarians in Romania] delegation laid two wreaths at the memorials to Sandor Petofi and Nicolae Balcescu [a Hungarian and a Romanian personality of the period]. That event was attended by about 200 people.

At 1600 [1400 GMT], the Hungarian opera house in Cluj hosted a commemorative performance organized and staged by Doctor Francisc Boyer [name as published], who recited Petofi poems for two hours. As soon as he began reciting "Rise, Hungarians, it is now or never," the audience broke out into a standing ovation. The majority of those gathered in the opera hall had tears in their eyes. Several old ladies even needed the supporting arms of their neighbors to be able to stand erect. At the end of the show, which lasted for two hours, the audience spontaneously started singing Hungary's national anthem. Tears were running down the cheeks of the audience.

Beginning at 1900 [1700 GMT] Saint Michael's church hosted an ecumenical mass, which was attended by about two thousand Hungarians. After the religious ceremony, they sang the Hungarian anthem again. At about 2215 [2015 GMT] Hungary's anthem was sung anew by a small group of young people gathered before the statue of King Matthias.

[UDMR Senator] Geza Szocs, who attended these festivities, made the following exclusive statement for EVENIMENTUL ZILEI: "15 March is an exceptionally important day which carries a multitude of meanings. It is a symbol of the Hungarian nation's wish to become free and 15 March [1848] marks a turning point in how they tried to accomplish that wish." "People have to know that this [the Hungarian] national anthem, unlike those of other nations, has been customarily sung in our churches over very many years."

"The sole purpose of [Cluj Mayor] Gheorghe Funar's ban on the anthem was to provoke, but he may order whatever he pleases in that respect, because his orders will not be observed. The Hungarians will always sing their anthem!"

New Right-Wing Paper Attacks Ethnic Minorities

AU2303141593 Bucharest TINERETUL LIBER in Romanian 17 Mar 93 p 1

[Unattributed article: "NOUA DREAPTA in Bucharest"]

[Text] The NOUA DREAPTA [THE NEW RIGHT] review was on sale in Romana Square in Bucharest. Its director is Radu Sorescu, the leader of the political movement of the same name. The first issue contains a proclamation addressed to the nation, calling especially upon young people to man "the barricades of honor." The editorial, entitled "The Third Solution," talks about the false "nationalist mantle" of the communists and [claims] that "our opposition lacks backbone." It also mentions the "swamp of democracy," and the "redemption of our nation," which is to be accomplished by those who will put things in "order." The publication predominantly attacks Romanies and other ethnic minorities, calling for the creation of an "ethnocratic state." The review also carries a text—printed in a frame—belonging to [Iron Guard leader] Corneliu Zelea Codreanu. Radu Sorescu comes from Craiova and he is the son

of one of the brothers of poet Marin Sorescu, one of the most ardent supporters of the Iliescu regime.

Iliescu Receives RFE, Radio Liberty Officials

AU2303195493 Bucharest ROMPRES in English 1905 GMT 23 Mar 93

[Text] Bucharest ROMPRES 23/3/1993—Romania's President Ion Iliescu received Tuesday, 23 March, the president of the Free Europe and Radio Liberty stations, Eugene Pell.

The guest termed his meeting with the Romanian president as "historical" and pleaded that the Free Europe station had yet an important role to play in Romania, to the benefit of the full instatement of democracy, of the adequate development of the rule of law and of other democratic institutions.

Mr. Pell requested access to long, medium and short wave frequencies for his station to cover the entire Romanian territory, a request President Iliescu had no objection to and suggested it should be referred to the Romanian Radio Company for examination.

Present at the interview at the Cotroceni Palace were Messrs. George Woodard, vice-president of the two stations, Robert Gillett, director general of Free Europe, Nicolae Stroescu-Stanisoara, director of the Romanian programme of Free Europe, Aurel Dragos Munteanu, Romania's ambassador to Washington, John R. Davis Jr, U.S. ambassador to Bucharest, Eugen Preda, director general of the Romanian Radio Company, and Traian Chebeleu, counselor to the president of Romania.

Vacaroiu, IMF Delegation Discuss Accord

AU2303211693 Bucharest Radio Romania Network in Romanian 2000 GMT 23 Mar 93

[Text] Romania's Government has sent us the following communique.

Romania's prime minister, Mr. Nicolae Vacaroiu, this afternoon received an IMF delegation led by Mr. Maxwell Watson. The discussion was attended by state minister and president of the Council for Coordination, Strategy, and Economic Reform, Mr. Misu Negritoiu; state minister and minister of finance, Mr. Florin Georgescu; and the governor of the National Bank, Mr. Mugur Isarescu. The participants in the meeting discussed the essential aspects of the standby accord with Romania for 1993, main and practical questions, and the structure of this accord.

In essence, the discussions focused on monetary policy, the structural reform in the economy, financial-budgetary issues, and foreign financial aid. The sides agreed, in general terms, on the contents of the letter of intent on the basis of the aforesaid accord. What remains to be examined and finalized are certain solutions, especially from a technical and computing point of view in light of the last round of negotiations, which are to take place in a couple or three weeks, the communique concludes.

Military Council Meets, Pascu Given Defense Job

AU2303181693 Bucharest Radio Romania Network in Romanian 1600 GMT 23 Mar 93

[Text] The Ministry of National Defense has faxed us the following communique:

The Higher Military Council held a meeting today, which was attended by Romania's president, Mr. Ion Iliescu; Mr. Nicolae Vacaroiu, prime minister; and Colonel General Vasile Cornel, presidential counselor.

During the first part of the proceedings, Lieutenant General Nicolae Spiroiu, minister of national defense, presented a report on the activity carried out by the Army in 1992 and on the main directions of action in 1993.

During the meeting, the floor was taken by Romania's president, Mr. Ion Iliescu, and the prime minister, Mr. Nicolae Vacaroiu, who stressed the correlation between difficulties reported by the participants—commanders of Army groups, of large units, and of detachments—and positively assessed the Army's stabilizing role of preserving the balance of society in the post-revolutionary period, as well as the contribution made by the Army to ensuring national security under the current international conditions.

The meeting also discussed current and future issues regarding perfecting the activity in the military area. Tangible measures were established to preserve the combat capability of the Army and to ensure the social protection of the personnel.

The National Defense Ministry has also faxed us the following communique:

On the basis of decision No. 28 of 22 March 1993 issued by the prime minister of the Romanian Government, Mr. Ioan Mircea Pascu has been appointed state secretary at the Ministry of National Defense in charge of defense policy and international relations.

Mr. Ioan Mircea Pascu was born on 17 February 1949 in Satu Mare Municipality. He is a graduate of Bucharest's Academy for Economic Studies and holds a Doctor of Political Sciences degree. He has carried out extensive scientific activity and has published a numerous works at home and abroad on the subject of security and international relations.

Mr. Ioan Mircea Pascu has graduated from the Military School of Reserve Officers and has participated in later military training exercises. Through the appointment of Ioan Mircea Pascu as state secretary at the Ministry of National Defense, the democratic idea of appointing

civilians to the leadership structures of the Army is being applied, the communique of the Army Press Bureau specifies in conclusion.

Government Spokesperson Announces Two Appointments

AU2403132993 Bucharest TINERETUL LIBER in Romanian 18 Mar 93 p 2

[Report by F. Mihalache: "Octavian Partenie Appointed New Head of the Government's Public Information Department"]

[Text] During the news conference yesterday, 21 March, Doina Jalea, spokesperson of the prime minister, informed us about two appointments in the government. Ion Honcescu was appointed head of the Control Department and Octavian Partenie head of the Government's Public Information Department. Partenie is an economist, born 1 December 1934, and since the installation of the Vacaroiu government he has held the position of counselor to the prime minister. Regarding relations with the press, he said that he likes informal meetings with the press, noting that: "Since Monday I have only two masters, the government and the press."

Nastase Emphasizes Need To Modernize FDSN

AU2303190893 Bucharest ROMPRES in English 1830 GMT 23 Mar 93

[Text] Bucharest ROMPRES 23/3/1993—We are concerned at present with the updating of the Democratic National Salvation Front, FDSN, (the ruling party), including a moral attitude towards oneself, a moral-pragmatic attitude, says Adrian Nastase, speaker of the Chamber of Deputies, FDSN deputy chairman, in an interview with the weekly EXPRES. Mr. Nastase considers that FDSN relies especially on people of the second and third age. "Anyhow we are trying to operate an openness. We have been seen and presented as offering an oldish, conservative formula. I have met many young people close to FDSN, followers of this party. I have met many intellectuals, of technical specialties, it is true, very close to us," mentioned the interviewee.

In the opinion of the speaker of the Chamber of Deputies, FDSN should "understand that it needs to modernise its speech, to present it more clearly, as being that of a social-democratic force, a political force not only with a domestic sphere of action but also able to get linked, on an international plane, with a certain group of political parties. FDSN has to be aware that it has to change its strategy after the elections, that a peace strategy has to be used when the war is over. FDSN has to fight a tendency to consider itself a ruling party on long, very long term, added Adrian Nastase.

Roman Attends Nice Conference on Minority Issues

AU2303130593 Bucharest AZI in Romanian 17 Mar 93 p 2

[Article by Adriana Tiganila: "At Nice—Europe and Nationalisms"]

[Excerpt] Monday [14 March], [National Salvation Front President] Petre Roman returned home from Nice [France] where he attended the two-day colloquium on "Europe and Nationalisms," organized at the Sophia Antipolis University by the Culture and Education Commission of the European Parliament in cooperation with the UN Information Center.

Petre Roman was invited in his capacity as "an author and a opponent of the restoration of totalitarianism." He was the only eastern European political leader invited to attend, and thus had the opportunity to meet prominent personalities of West European political, economic, and cultural life.

Talking about the colloquium, Petre Roman made the following statement: "There were 21 various debates. The main one, dedicated to 'Europe and Nationalisms' was attended by representatives of the European Parliament, political personalities, and well-known journalists. I also took the floor to speak on that issue, which proved to be quite interesting, so that our dialogue with the audience lasted until midnight. The audience consisted of several hundred people who asked a great number of questions. I was asked about my views on the conflict in Yugoslavia and I talked about the roots of that war as I see them. Next I was asked a question about the Hungarian ethnic minority in Romania and my reply was considered satisfactory. I pointed out that currently no one should use the term 'inter-ethnic conflict' any more and that the integration of the UDMR [Democratic Union of Hungarians in Romania] into our political life —if one disregards issues strictly related to the Hungarian ethnic minority, but rather takes the whole spectrum of issues into consideration—is the best proof that in this sense things are evolving in the right direction in Romania. I also stated that the situation of the Hungarian ethnic minority in Romania is normal, and we are trying to maintain that—for other ethnic minorities as well—and that the Romanian authorities should display a clear-cut policy in this respect, in the well-known sense of the term. That was the issue discussed on Saturday [13 March].

The issue discussed in Sunday's [14 March] session—"Exile"—proved to be very important. [passage omitted]

Civic Alliance Leader Explains Party's Positions

AU2403105593 Bucharest REALITATEA ROMANEASCA in Romanian 18 Mar 93 p 3

[Interview with Stelian Tanase, vice president of the Civic Alliance Party, by Dorin Stanciu; place and date not given: "Depolarization of Political Activity—A Strategy of Reform Based on a Political Pact"]

[Excerpts] [Stanciu] This heated political situation is a good opportunity to attempt to examine the positions held by the parliamentary forces.

[Tanase] I think that there are certain pressures in the majority coalition that depend on the price it is prepared to pay to its supporters. Parties do not support the government free of charge, but on the basis of certain advantages granted by the most important group. [passage omitted] Parties like the Socialist Party of Labor and the Romanian National Unity Party try to obtain as much as possible for their support. There are constant give-and-take negotiations. On the other hand, I think that within the Democratic National Salvation Front [FDSN] there are several groups that hold different points of view; some are more pragmatic, others more modern, closer to reality, while others are more radical, more ideological, and conservative. As a matter of fact, this kind of division—of various hues, though—can be noted in all parties. It is one thing to be a moderate within a liberal party and another thing within a leftist party.

[Stanciu] Could there be a change in the majority coalition that would shift the government's center of attention toward a rightist position?

[Tanase] I do not know whether this is going to happen, because it depends on many unknown things: how the nation will react to the withdrawal of subsidies and to the introduction of the value-added tax, how the Democratic Convention will function, and how these splits within the majority coalition will develop. In principle, one cannot shift economic policy from left to center or even to the right like a rock. Obviously, liberal reform can be implemented by a liberal party and decentralization is carried out by a party that favors this process and not by a party that, in its electoral program, talked about slowing down or halting the reform process because of its effects and social cost. We are in a slightly ambiguous situation and so is the government. Once it is a FDSN government, then it is a government of experts in which technocrats play a dominant role—like Mr. Negritoiu, who is not a FDSN member. Attempts are made to clarify this very dilemma—it is a leftist government, it is not a leftist government; it advocates liberal reform, it does not advocate liberal reform....

[Stanciu] Do you think that the position of the United States and the European Community signals support for the current government formula and for President Iliescu?

[Tanase] First, the aim of my presence in Brussels was to represent national interests, namely our integration in European structures. An isolated Romania is an endangered Romania.

On the other hand, an integrated Romania stands a greater chance of solving its economic and political problems and achieving a transition at a cost that is easier for the population to bear. This is what the presidency is also interested in—and it lends it a different image—but it also favors the opposition forces, which will be able to act in a climate that is more favorable to democracy. It is one thing to represent the opposition in an isolated Romania with its conservative forces linked to the East, and quite another to be the opposition in a Romania that is linked to the West. The development of the democratic forces also depends on the way nationalism and ethnic phenomena manifest themselves. If the nationalist trend prevails in an economic crisis, it goes without saying that the actual problems of a modern Romania will be overshadowed. The population will discover that they are poor because of the Hungarians, the Jews, the Russians, or because of a Europe that does not want us. We need economic success in order to push aside such problems. The reform has to be implemented by not going beyond the level of endurance, because it is implemented with the people.

[Stanciu] The Civic Alliance Party [PAC] is on the point of redefining its policy. How close is it to clarifying things?

[Tanase] Not very close. And I think that attempts like the censure motion divide us. [passage omitted] As I have said, splits exist in all parties in the world. Things get clarified through internal party debates. Unfortunately, we do not really discuss these things; we do not have a press organ.... However, I have to say that I favor such differences and the discussion of various points of view so that the party's position can be defined in a dynamic way. I am against the idea of chiefs setting the pace to be followed by the others. This tendency exists in our party but in our case it is easier to get rid of this trap. We have a lot of personalities who enjoy a great reputation and it is hard to believe that Alexandru Paleologu, Mihail Sora, or Paul Tocaci will submit to a single idea.

[Stanciu] Does the government coalition constitute an objective of the Convention?

[Tanase] Neither the National Salvation Front, nor the National Peasant Christian Democratic Party, nor the FDSN are interested in early elections. That is, if there is no major social crisis. I myself favor a government coalition that will turn into a reformist government. If we continue with this polarization of Parliament then the reform process is blocked. Or, equally dangerous, we pass it on to the executive power. The reform should not be a state monopoly. A reform strategy has to be based partly on the executive, partly on parliament, and partly on society. This political pact is possible and necessary.

Royal Couple Recognized as Legitimate Sovereigns

AU2303140893 Bucharest ROMANIA LIBERA in Romanian 17 Mar 93 p 1

[Andrei Badin article: "The Church Has Separated Itself From Communism—A Significant Gesture of Patriarch Teoctist's"]

[Text] Father Teoctist, the patriarch of the Romanian Orthodox Church, made a significant gesture on Sunday

[13 March], which will doubtlessly have important consequences. Father Teoctist practically acknowledged Her Majesty Queen Ana as Romania's queen, and—implicitly—His Royal Majesty as Romania's legitimate sovereign.

That gesture by the patriarch represents the definitive separation of the Romanian Orthodox Church from communism and the re-establishment, after 45 years, of the close tie between the church and the monarchy. Actually, that tie was never completely severed. The 45 years of communism merely compelled the church to be in abeyance and accept a certain amount of compromise. Now however, after several high church officials have clearly expressed their position on the issue, it was Patriarch Teoctist's turn to do so. The event should have actually taken place in December 1992, during His Majesty the king's visit to Romania [which was called off]. Originally, the king was to attend Patriarch Teoctist's sermon on the occasion of the return of the Bessarabian Metropolitan Seat to its mother church. Thus, the official sanctioning of the indissoluble bond between the church and the monarchy has had to wait until now.

Obviously, the patriarch's gesture can also be interpreted as a political one. The authorites will probably spare no efforts to denigrate the patriarch and the church. Besides the king, the patriarch has also become an enemy of the authorities. We do not yet know what methods will be used, but it is quite certain that the patriarch's gesture will not be appreciated at all at Cotroceni [the presidential headquarters].

Church and monarchy are reunited again. Those two institutions of our state represent in fact the foundation of the Romanian nation. That bond can show all Romanians that the country will be helped out of the crisis not by a group of communists, but rather by what is essentially linked to Romania [as published]. Those two institutions, the throne and the church, are the most solid foundation on which we can rely, while setting out to rediscover ourselves as a nation and, perhaps, to find the way to truth.

Charges Against Doina Cornea To Be Dropped

AU2303154493 Bucharest Radio Romania Network in Romanian 1100 GMT 23 Mar 93

[Text] The Prosecutor's Office of Bucharest Municipality announces that, by a resolution of 4 March 1993 on file No. 43/1993, it has decided not to prosecute Doina Maria Cornea, since it notes that the things that make up the offense of instigation to subvert the state power are lacking [as heard]. The complaint by Doina Maria Cornea against Octavian (Manco) and Gheorghe Grosu for slander has been forwarded to the Neamt County Prosecutor's Office. Investigations in Rimnicu Vilcea failed to locate Emilian Vladea, the signatory of one of the complaints against Mrs. Cornea, the press bureau of the Bucharest Prosecutor's Officer told our colleague Victoria Andrei.

Country's Role in Solving Yugoslav Crisis Viewed

AU2303135893 Bucharest ADEVARUL in Romanian 17 Mar 93 pp 1, 8

[Alexandra Andon article: "A Sub-Regional Diplomatic Laboratory"]

[Text] The Croatian foreign affairs minister [Zdenko Skrabalo] did not come to Bucharest just to try his hand at the tactics of how to become friends with the neighbor (Romania) of a neighbor (Serbia). The current evolution of the situation in former Yugoslavia proves that the conflict is entering a new phase, which seems to be decisive for the future stability of all of eastern Europe. In this new phase, the geographical and strategic position of Romania offers it the chance to play an extremely important role in that process.

All the west European countries and their allies across the Atlantic Ocean have doubtlessly perceived by now that one of the keys to settling the Bosnian conflict, and preventing it from spreading, lies in the elimination of Romania's isolation. Otherwise—taking into account that instability has become chronic in Moscow, and that the real danger does not come from Khasbulatov, but rather from a possible restoration of the old system by means of force—no one would be able to guarantee that, having already lost huge amounts because of the embargo, while also facing considerable economic difficulties, Romania could possibly rely on anything else but moral capital to remain a haven of stability between Russia and Serbia. The chances of creating a sanitary belt around Yugoslavia to isolate the conflict depends entirely on putting an end to Romania's isolation. The good relations between our country and its neighbors, as well as the guarantees offered by the fact that Romania has no territorial claims against any of those neighbors, grant our country the opportunity of becoming the principal stage for concentrating numerous diplomatic efforts in the Balkans. This is proved by the visits of the Turkish and Greek foreign ministers, the Yugoslav president, and the head of Croatian diplomacy.

The latest events in the conflict zone, actually throughout former Yugoslavia, prove that we are entering a new phase, as I have already mentioned. Everything points to the fact that the Vance-Owen peace plan will eventually be adopted. The Muslims have already announced that they accept it, Milosevic played the same game that he played in January in Geneva, pretending that he was going to talk the Bosnian Serbs into showing more benevolence at the negotiating table. Even if it is more accepted than imposed, or—the other way round—less accepted than imposed (by means of the extreme and more time-consuming solution of tightening the embargo on Serbia and Montenegro), the Vance-Owen plan will be adopted anyway. Troops may then be deployed in Bosnia to ensure the observance of that plan. As with the Serbian enclaves in Croatia, such troops would be able to separate the territories inhabited by the three ethnic groups: the Muslims, the Serbs, and

the Croats. And quite similar to the situation in Croatia, all those enclaves will be granted virtually full autonomy. That will be followed by massive population exchanges. Tensions will persist and manifestations of them may grow to greater, or remain restricted to lesser proportions. However, during this whole phase, the warring parties and their (at least moral) supporters, that is, Serbia and Croatia, will have to keep the channels of dialogue open.

"What will happen in former Yugoslavia after the fighting is over?" (that is, after the implementation of the Vance-Owen plan) Romanian Foreign Minister Teodor Melescanu asked on Monday [15 March] after his talks with the Croatian foreign minister. "We have to offer some perspective for future economic, political, and even military cooperation," Melescanu said, adding that "Such are Romania's preoccupations." Precisely this is the substance of Bucharest's proposals as well, intended to establish communication channels both between the former Yugoslav republics and between them and other countries in that area, in view of the new, post-conflict phase. Melescanu mentioned those proposals as "a sub-regional solution."

Under such circumstances, Bucharest's main goal ought to be the strengthening of its position as the main diplomatic stage in the area.

Roman's Analysis of Developments in Russia

AU2403144493 Bucharest ROMPRES in English 1220 GMT 24 Mar 93

[Text] Bucharest ROMPRES 24/3/1993—What is going on in Russia can have repercussions on Romania, Petre Roman, chairman of the National Salvation Front, FSN, said in an interview with the daily TINERETUL LIBER. Roman opined that "despite the fact that what is going on in Russia is in discord with what Romania intends to do, the latter has to continue on its road." Our wish can only be that a state of law be instituted in Russia, a democratic state as this is the way to make imperialist wishes die out more or less."

The FSN leader mentioned that a victory of the conservative forces in Russia would pose a threat to the democratic regime, to the regime of economic and political freedoms, to Romania's evolution towards the Western system. He added that it is nevertheless unlikely that the forces of the communist restoration in Russia, even if victorious, extend a helping hand to similar forces in Romania in the present context."

The former premier of Romania said that he was favouring "a partnership relationship between Romania and Russia," the two being linked by strong economic interests.

PSM Communique

AU2403145193 Bucharest ROMPRES in English 0952 GMT 24 Mar 93

[Text] Bucharest, ROMPRES, 24/3/1993—In a communique issued by the Steering Committee of the Romanian Socialist Party of Labor [PSM], the party shows its concern over developments in the Russian Federation, considering that they can bear serious consequences on stability and peace in Europe and all over the world.

"The Socialist Party of Labor states for finding solutions to political tensions by peaceful means exclusively and for an observance of democratic norms, rejecting any form of extremism, whatever its color", runs the communique released for the press in Bucharest.

In the communique, the Socialist Party of Labor of Romania reasserts its full attachment to the values of democracy stipulated by Romania's constitution and also by the programme of the Socialist Party of Labor, that is, political pluralism, a separation of powers in the state, the guaranteeing of human rights and freedoms, and for a furthering of the economic reform for a transition to a market economy and provision of real social protection for the entire population.

"We express our conviction that the Romanian people's option for the values of democracy is irreversible, a return to the political system before December 1989 being impossible, whatever the developments in other parts of the world", writes the communique.

Republican Party, PRM Comment

AU2303185093 Bucharest ROMPRES in English 0907 GMT 23 Mar 93

[Text] Bucharest, ROMPRES, 23/3/1993—The Republican Party fully supports the official declaration of Romania's Government, issued on March 22, and asks all the leading bodies of Romania—Presidency, Parliament and Government—political parties, the other institutions of the Romanian state to join their efforts to build up a single national force of action, apt to prevent the threat irresponsible acts of revanchist Russians could pose for Europe and the world, says a declaration of the Republican Party.

We dare to recommend the state power in Romania not to embark, in the name of the country, on one or the other of the power variants confronting each other in Russia now, as nobody can tell for sure which forces are democratic and which are conservative, the more so as Mr. Boris Yeltsin made a great mistake as far as the Romanian people is concerned, by encouraging the absurd claims of Hungarianism. We strongly reject a possible Bolshevik restoration, that would jeopardize the future of large collectivities. We firmly opt for democracy, freedom and a really humane reform, mentions a communique of the chairman of the Greater Romania Party [PRM], Corneliu Vadim Tudor.

Liberal Viewpoint

AU2303195693 Bucharest ROMPRES in English 1900 GMT 23 Mar 93

[Text] Bucharest ROMPRES 23/3/1993—"The no-confidence motion proved that the opposition was united and it represented an alternative," deputy Horia Rusu, Liberal Party's executive president, told the weekly news conference on March 23.

The censure motion stands as "a victory on a medium and long term of the opposition," said Deputy Dinu Patriciu and further underscored the parliament majority's "high voltage reaction to a motion that would obviously come to be turned down."

Considering the implications of the situation in Russia, the liberal leaders pointed to the bad consequences for Romania of a possible conservative takeover. Moreover, Horia Rusu opined that "the power in Romania failed to cut the umbilical cord that tied the country to the East."

Article Assesses Progress of Economic Reform

AU2303131893 Bucharest ADEVARUL in Romanian 17 Mar pp 1, 2

[Article by Gheorghe Cercelescu: "Capitalist Theories, Communist Practices"]

[Text] Although certain progress has been made, the transition process in eastern Europe is facing huge obstacles. In 1992, the production decreased even in countries like Hungary and the former Czechoslovakia, for which an economic recovery was predicted at the start of the year, while living conditions have further deteriorated for the majority of the population in the countries of this region. Consequently, the enthusiasm for change has been replaced by an uncertainty about the future. The task of political leaders to maintain the transition process along its natural course is becoming increasingly difficult owing to the widening discrepancy between political changes and economic developments.

Such a situation is the result not of unforeseen hardships, but of the lack of realism of the initial hopes. Three years ago, several international experts warned the public about excessive optimism about the speed with which one can move to a market economy. But who had ears to hear in the prevailing euphoria of the time? Now, when everybody realizes that the transition cannot take place overnight and that its burdens are not easy at all, social stability is becoming increasingly more fragile.

The main cause of the collapse of production is the reform itself. Price liberalization—one of the key components of the reform process—has wiped out the economic viability of a large part of the existing production units. The scope of the shock provoked by bringing domestic prices to the level of those on the world market has, in the opinion of most specialists, exceeded any difficulties that the developed countries experienced in the post- war period.

Strict stabilization policies simultaneously adopted by several eastern European countries have led to a restricted internal demand, but owing to the interdependence of their economies, the crisis phenomena in one country have manifested themselves in others. The unexpectedly rapid disappearance of CEMA has led to an even more abrupt fall in production. Many enterprises that exclusively worked for the CEMA market had to close overnight, while those that could no longer secure raw materials and energy supplies from the former Soviet Union had their activity severely restricted, because indecision prevented them from resorting to other supply sources.

For Romania, the disintegration of CEMA and of the relations with the developing countries has led to the loss or the substantial narrowing of markets that accounted for two-thirds of our exports. If we consider that in 1989 exports represented more than a quarter of our gross national product, the loss of some 70 percent of these markets has led, according to certain calculations, to a 10 percent decrease in the gross national product. The consequences of the loss of these markets are more serious than one can deduce from the statistics, because the post-1989 trends developed against a background of general crisis in our foreign trade, which led to a fall in Romania's share of international exchanges from 0.6 percent in 1980 to 0.2 percent in 1990.

However, the eastern European countries engaged in the transition process are not so much worried by the production decline itself as by the hardships they face in creating the necessary conditions for economic recovery. All these states are at an extremely dangerous transition stage, characterized by the fact that the old structures no longer exist, new ones have not yet been created, and the prevailing behavior patterns and administration methods are closer to the past system than to the new one yet to be created.

Our post-December 1989 governments have tried hard to halt inflation using certain instruments specific to the market economy. But what did they achieve? In 1991, they resorted to the policy of tightening credit, which had no effect in actual fact, as the enterprises resorted to the old practice of avoiding the banking system and giving each other all kinds of credits. In 1992, a policy of expensive credits was adopted. Still, who would bother with the 70-80 percent refinancing interest rate set by the National Bank, when one could obtain much cheaper loans from the CEC [the Central Accounts Bank], which still lends money to current accounts at only 18 percent interest?

The Vacaroiu government is the first one since the revolution to take into consideration that an economic system is not a simple mechanism that you can change whenever it stops functioning, as you can with a car engine, but a complex and interdependent structure. The emphasis which the program lays on disciplining economic units and on managerial contracts reflects the importance given to the introduction of market behavior patterns, in whose absence the previous command system risks being replaced—as one can easily ascertain from developments in our country—by chaos and corruption, that endanger the reform process itself.

Evacuation of 46 Serbs From Tuzla Secured

LD2303184593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1827 GMT 23 Mar 93

[Text] Zvornik, 23 Mar (TANJUG)—General Philippe Morillon, commander of the peacekeeping forces in former Bosnia-Herzegovina, arrived in Zvornik late this afternoon to inform local officials that a convoy with Serbs would not leave Tuzla today. General Morillon repeated he would go back to Tuzla tomorrow because local Muslim authorities there were causing problems for Serbs, he told a TANJUG correspondent.

According to Morillon, the evacuation of 46 Serbs from Tuzla has been secured for tomorrow. According to Serbian estimates, there are about 18,000 Serbs in Tuzla.

The Serb side proposed to General Morillon to go to Tuzla, but he insisted on going to Srebrenica today.

Several thousand women and children waited in Zvornik for their relatives to arrive from Tuzla today. At about 1800 on a road between Karakaj and Zvornik, a large number of women physically blocked General Morillon and his escorts from going to Srebrenica after they heard that Serbs from Tuzla were not coming today,. General Morillon and his escorts then crossed to the right bank of the Drina river to reach Srebrenica via the territory of Yugoslavia via Ljubovija and Bratunac. General Morillon asked the Serb side to allow a humanitarian aid convoy together with a military observers mission to go to Srebrenica. He said that Muslims should afterwards be transported in these vehicles from Srebrenica to Tuzla. The Serb side rejected this, and instead proposed to General Morillon to ensure and guarantee a safe passage to Tuzla for the [Serbian Orthodox] Bishop Vasilije of Zvornik and Tuzla, who organized the evacuation of Serbs from this town where Serbs have practically been kept as hostages for months.

General Morillon was not ready to accept the Serb side's proposal on the safe passage of Bishop Vasilije, Zvornik Mayor Branko Grujic and local government president Dragan Spasojevic, told TANJUG.

It is obvious that the outcome of the negotiations on the evacuation of Serbs from Tuzla is still uncertain.

Serbs From Tuzla Still Awaited in Zvornik

AU2303160893 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 23 Mar 93

[Report by Vladimir Mitric from Zvornik]

[Text] The convoy of Serbs from Tuzla has not arrived in Zvornik yet, even though General Philippe Morillon, commander of peace forces for the former Bosnia-Herzegovina, announced that the first unfortunate Serbs from this town were to be out of there yesterday. During his visit to Zvornik today, General Morillon admitted that the Muslim authorities in Tuzla are causing problems regarding the departure of Serbs, and he added that he will be forced to spent several days in Tuzla. He said that he will go to Tuzla tomorrow. He also said that he assumes that the Serbs in Tuzla are frightened of the local authorities.

Regarding his stay in Srebrenica, he said that he will stay there until military observers are allowed to arrive in that town.

Morillon 'Admitted' Muslims 'Intimidating' Tuzla Serbs

AU2403123393 Belgrade Radio Beograd Network in Serbo-Croatian 1100 GMT 24 Mar 93

[Text] The first group of the hapless Serbs from Tuzla is expected to arrive in Zvornik today. French General Philippe Morillon, commander of peace forces for the former Bosnia-Herzegovina, announced his own departure for Tuzla. Here is a report by Vladimir Mitric:

[Begin Mitric recording] As he said in Zvornik last night, French General Philippe Morillon, commander of UNPROFOR for the former Bosnia-Herzegovina, is to go to Tuzla today. He is to stay there for several days to do something more on having local Serbs released who have been held captive by Muslims for months. Only 66 Serbs are to leave Tuzla today, Gen. Morillon has told your correspondent, and these are mainly seriously ill people. Gen. Morillon has admitted that the Muslim authorities are intimidating Serbs in various ways so they will express their alleged wish to remain in Tuzla.

Vasilije Kacavenda, the Zvornik-Tuzla metropolitan, expressed a wish to go to Tuzla where he had a residence before the war, but Gen. Morillon could not guarantee his security.

The first group of hapless Serbs from Tuzla is expected to arrive at about 1200 today. [end recording]

Morillion Fails To Reach Srebrenica

LD2303223393 Belgrade TANJUG Domestic Service in Serbo-Croatian 2154 GMT 23 Mar 93

[Excerpt] Zvornik, 23 Mar (TANJUG)—General Philippe Morillon, commander of the UN peacekeeping forces in former Bosnia-Herzegovina, failed to reach Srebrenica via Bratunac this evening, a TANJUG correspondent learned. A large group of women waited for Morillon's convoy at the approach to Bratunac around 2130, and they prevented his passage with their own bodies. [passage omitted]

Serbs Detain UN Helicopters Headed for Srebrenica

AU2403095293 Paris AFP in English 0942 GMT 24 Mar 93

[Text] Sarajevo, March 24 (AFP)—Serb militia prevented Wednesday [24 March] seven helicopters headed for the eastern Bosnian enclave of Srebrenica from leaving a Serb checkpoint, a U.N. spokesman said here.

The seven helicopters, four French and three British, had been held up for more than half an hour at Zvornik, a Serb-held eastern Bosnian town, and were "being prevented from leaving," said a spokesman here for the U.N. Protection Force in former Yugoslavia, Major Jose Gallegos.

He could not say why the helicopters were being held up. Under an agreement with Serb forces, the helicopters were due to make an inspection stop of five to 10 minutes in Zvornik on their way to Srebrenica from where they would evacuate seriously wounded Moslems.

French Helicopters To Ferry Wounded Out of Srebrenica

LD2403101193 Paris France-Inter Radio Network in French 0900 GMT 24 Mar 93

[Text] French UN helicopters took off from Tuzla airport in western Bosnia this morning to evacuate the most seriously wounded from the besieged Muslim enclave of Srebrenica. Here is Nicolas Poincarre:

[Poincarre] The first helicopters heading for Srebrenica took of from Tuzla at 0845. The operation was planned for 0700 but was delayed because the airport at Tuzla was bombarded early this morning. The helicopters were finally able to take off. It is planned that they will first land in a Serb zone, at Zvornik, to be searched. They will then head for Srebrenica.

At the town's stadium they will very quickly take the seriously wounded on board and take them back to Tuzla. Nine helicopters will take part in this airlift. If all goes well, they will make up to four trips a day. The operation is delicate; all of this is taking place in a combat zone. At any time the air corridor could be closed if the Serbs bomb Tuzla airport or Srebrenica stadium.

Commentator Denies Air Bombing of Srebrenica

AU2203181193 Belgrade Radio Beograd Network in Serbo-Croatian 1620 GMT 22 Mar 93

[Commentary by Jovan Lakicevic]

[Text] One can say with a great deal of certainty today that the alleged bombing of two Muslim villages near Srebrenica from still unidentified aircraft was an ordered and agreed hoax. It was supposed to serve the adoption of a resolution on the use of force in the no-fly zone above Bosnia-Herzegovina that would practically give the green light to the Western alliance to militarily attack Serbian positions and targets.

Bush's administration had been persistently but unsuccessfully trying to achieve this for months. Clinton's team took the baton and demonstrated that some constants in U.S. policy on the Yugoslav crisis have not changed at all with the change of power in the White House. All circumstances indicate that the alleged bombing, if it took place at all, was carried out by the Muslim squadron that took off from the airports in Tuzla, Cazin, or Bihac. According to one version, there were three planes, while according to another one, there were five piston engine aircraft [klipna letelica], the kind of aircraft that Alija's army has.

It is interesting that the news on the bombing was sent to the world via UNPROFOR [Un Protection Forces] headquarters in Zagreb without any checking. This was sufficient to raise alarm in the Security Council and once again blame the Bosnian Serbs for this action without any proof. The statement issued by the presidency very skillfully extended the accusation to the Republic of Yugoslavia. Despite the categorical denial by the Serbian leadership in Bosnia and the Yugoslav Government that they are not connected with this provocation in any way, and the offer to provide Yugoslav experts to participate in an investigation into this incident, nothing has changed in the Security Council's stand.

The representatives of the zealous UNPROFOR have not, of course, even tried to check the information with which they have additionally accused the Serbian sides in the Bosnian conflict for the umpteenth time without any proof. In this way, they enable the U.S. Administration to win over the members of the Security Council for its idea about the military intervention in Bosnia's skies. Up until now, it is not known whether the bombs ended up in a forest or a stream, who the aircraft that took part in this dirty trick belonged to, where they took off from, where they returned, or finally, whether the bombing really took place at all.

Therefore, there are many unknowns in the situation when NATO's AWACS [airborne warning and control systems] planes can control with incredible accuracy not only such flights, but literally the flight of any bird flying over the ground. While the western media and the Security Council were deeply engaged in the manipulation of this incident as the main proof that military intervention in Bosnia's skies is inevitable, UNPROFOR Commander General Morillon, what an irony, has been acting a Muslim protector and envoy in Srebrenica.

None of our self-proclaimed tutors has, of course, even tried to ask the question why the Serbs would need such an action, one involving piston engine aircraft. What strategic, tactical, and military, or political reasons could motivate them to venture into such a risky action of violating the Security Council resolution simply to scare the population of two Muslim villages. There is indeed not a single valid argument to support this stupid idea.

However, the strategists of the anti-Serbian campaign are not interested in this at all. The fact that no one from UNPROFOR has even tried to check the allegations contained in this latest anti-Serbian accusation supports the claim that this was an agreed action between the Muslim side and some of its Western protectors.

So, it has unfortunately been confirmed once again that a section of UNPROFOR is behaving like a supporter. In

other words, it is behaving according to the views and policies of their government in the Yugoslav crisis, and not in the spirit of the UN Charter, which clearly spells out the obligations of the UN forces in missions like this one.

Let this be in honor of them and those who are giving them orders.

'Aircraft With UN Markings' Bomb Visegrad Village

AU2403122693

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1100 GMT on 24 March carries in its regular 15-minute newscast several reports on the fighting in the republic.

The studio announcer quotes the Press Center of the Operative Group for eastern Bosnia as saying that "this morning the aggressor again violated the UN Security Council ban on military flights over Bosnia-Herzegovina by bombing the village of Dorovici. We do not yet have any information on casualties." She says that "the chetnik offensive against the defensive positions of the First Visegrad Brigade and the First Rogatica Brigade continued well into last night. The chetniks used tanks, howitzers, and mortars in the attack, including the Air Force of the former Yugoslav People's Army. One curious thing is that our reconnaissance units reported seeing aircraft with UN markings on them. They dropped napalm, burning several villages to the ground." The studio announcer says that "in a fierce counteroffensive, the fighters of the Rogatica and Visegrad Brigades displayed true heroism as they flushed out the chetniks from their nests and made them scuttle back to Serbia. In Trnovo, our fighters destroyed a van containing seven chetniks. According to unofficial information, these chetniks were warlords who had been inspecting the front lines."

Emir Asapovic reports from Bugojno that "the shelling of the town has continued today, so the Bugojno people are spending the Bairam festival in their shelters. The general alarm was sounded at 1030. From their strongholds in Donji Vakuf and Kupres, the chetniks are firing shells toward Bugojno at the moment of reporting."

Reporting from Tuzla, Enes Osmancevic says that "since the early hours of the morning, towns and villages in the Tuzla area have been exposed to chetnik artillery. Mosques appear to be the dish of the day, as Karadzic's rabble fulfill their earlier threats to shell mosques on the actual day of Bairam." He says that "at 0510 this morning, the criminals from Osmaci, Zelinja, and Citluk started shelling the villages in and around Kalesija, particularly Gornji Rainci. Over 300 shells have already landed on civilian targets in the area this morning." Osmancevic says that "tank shells landed in Tuzla itself at 0530 from the chetnik positions on Mount Majevica."

Bosnian Serb Army Protests Croatian Attack on Trebinje

LD2303221793 Belgrade TANJUG in English 2138 GMT 23 Mar 93

["Pool" item]

[Text] Belgrade, March 23 (TANJUG)—The Bosnian Serb Army Command on Tuesday [23 March] protested against Croatia's attack on the southeastern Bosnian town of Trebinje earlier in the day, Major-General Manojlo Milovanovic told TANJUG.

The protest will be filed with the U.N. Security Council by the president of the Bosnian Serb republic, Radovan Karadzic, who is in New York attending U.N.-sponsored talks on peace for Bosnia-Herzegovina, Gen. Milovanovic said.

For the past year, that former Yugoslav republic has been the scene of a brutal civil, ethnic and religious war which has pitted the local Moslems, Croats and Serbs against each other.

The Bosnian Serb leader will inform also the cochairmen of the international conference on former Yugoslavia, Cyrus Vance and Lord Owen, about the Trebinje outrage.

"At noon on Tuesday, the Croatian regular Army launched an unprovoked heavy artillery attack on Trebinje, although not a single soldier of the Bosnian Serb Army is deployed in that town. This indicates that Croatia does not want to solve the crisis peacefully, but to destroy the Serbs and capture their territories," Gen. Milovanovic said. He went on to say that one woman was killed and 18 civilians were wounded in the attack.

The shelling lasted for two hours, with 30 shells hitting residential buildings, schools and factories.

Gen. Milovanovic said Croatia was aiming to provoke the Serbs with its attacks, which began with an aggression on the U.N.- protected republic of Serb Krajina on January 22 and continued with attacks on the Bosnian Serb republic.

"Croatia is trying to provoke us to open fire on Dubrovnik and give it an opening for another anti-Serb media campaign, on the lines of that waged last year against the Yugoslav Army and which starred Dubrovnik," Gen. Milovanovic said.

He said Croatia wanted the New York talks on peace for Bosnia-Herzegovina and the Geneva talks on the Republic of Serb Krajina to flounder and provide an excuse for a military intervention against the Serbs. "This is the only point on which the Croats and Bosnian Moslems agree," Gen. Milovanovic said.

Croatia has 50,000 troops fighting in the Bosnian war, mostly attacking Serb-controlled areas in eastern Herzegovina and northern Bosnia along the Sava river.

Gen. Milovanovic said Croatian artillery shelled Brcko in northern Bosnia in the night between Monday and Tuesday from the direction of Croatia's left bank of the Sava.

Mass Grave Discovered in Eastern Bosnia

LD2303203693 Belgrade TANJUG in English 1724 GMT 23 Mar 93

[Text] Belgrade, March 23 (TANJUG)—The Bosnian Serb Army on Tuesday [23 March] discovered another mass grave in war-ravaged eastern Bosnia-Herzegovina with the bodies of probably Serb civilians and soldiers missing since June and July last.

Three bodies have been recovered from the grave, found at Kopilova Bara in the area of Cerska.

The work continues on recovering the bodies, which will be identified and buried when all have been recovered.

Moslems from Srebrenica and Bosnian Serb troops from Bratunac have fought fierce battles in the area of Cerska. Late last month, world attention was riveted by a Moslem allegation that Serbs had massacred Moslem civilians in the area. The allegation has subsequently been refuted by the commander of the U.N. Protection Force (UNPROFOR) in former Bosnia-Herzegovina, French Army General Philippe Morillon, after he paid a surprise visit to the area.

Cerska has been among the areas receiving U.S. airdrops of food and medical supplies to Moslem civilians since March 1.

According to incomplete reports, more than 1,300 Serbs, over 1,000 of them civilians, have been killed at Srebrenica, and 34 Serb villages have been torched in order to prevent the refugees from returning. Damage has been the worst in the village of Kravice, where Srebrenica Moslems massacred more than 100 Serbs on January 7, Christian Orthodox Christmas.

When they liberated Kravice, Bosnian Serb troops found mass graves with the bodies of Serb civilians, of which UNPROFOR and the world public have been informed.

The murdered villagers of Kravice were buried in Bratunac on Monday in the presence of U.N. representatives to Bosnia, headed by Gen. Morillon, ranking officials of the Bosnian Serb Republic and dozens of domestic and foreign reporters.

Sarajevo Radio Said To Demand Premier's Resignation

LD2403050893 Belgrade TANJUG in English 0016 GMT 24 Mar 93

[Text] Belgrade, March 23 (TANJUG)—Moslem-controlled Radio Sarajevo has asked that Prime Minister of the Moslem-Croat government of Bosnia-Herzegovina Mile Akmadzic, a Croat, immediately resign because of his statement that he was against the lifting of a U.N. embargo on arms exports to Bosnia-Herzegovina.

Bosnian Moslem leader Alija Izetbegovic on several occasions demanded the lifting of this embargo. He was supported in his demands by Turkey and some other Islamic countries.

Strongly criticizing Akmadzic for this statement, the radio said that he had come to this office last autumn as an instrument of the Croatian Democratic Union which was obstructing state authority from the highest possible level and working on the confederalization and national division of the territory of Bosnia-Herzegovina and the greatest possible independence of Herzeg-Bosnia.

Bosnian Croats, who formed state organs of Bosnia-Herzegovina with Moslems, do not agree to a unitary Bosnia-Herzegovina and have proclaimed their own state community of Herzeg-Bosnia in territories of this former Yugoslav republic where they are the majority population. The state symbols and currency of the former Yugoslav Republic of Croatia are in force in Herzeg-Bosnia and the party of Bosnian Croats is a wing of the ruling party in Croatia.

Tens of thousands of members of the regular army of Croatia are taking part in the almost year-long war in Bosnia-Herzegovina between Moslems, Serbs and Croats.

Bosnian Moslems and Croats, nominal allies against Serbs, have started to fight each other fiercely this year over joint territories.

The cooperation between Moslems and Croats is shaky even in state organs. Bosnian Croats have said that Izetbegovic cannot be the president of the Moslem-Croat Presidency of Bosnia-Herzegovina because his mandate has expired and denied him the right to appear as a state official at the peace talks in New York, [words indistinct] that he can negotiate only as the leader of Bosnian Moslems.

Croats Link Integration, Muslim Signature on Plan

LD2303173793 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 23 Mar 93

[Report by Mostar correspondent Slavko Rako]

[Text] Since there is no other proposal, the Vance-Owen plan is the only way to end the suffering of Bosnia-Herzegovina's citizens, especially the suffering of the Croatian and Muslim people, Franjo Boras, Bosnia-Herzegovina Presidency member, said at today's news conference. He said that the republic—that is, the Muslim—delegation, headed by Alija Izetbegovic, has the authority to sign the entire plan under certain conditions.

Representatives of the Croatian people are willing to reintegrate Herceg-Bosna into a newly agreed constitutional system in Bosnia-Herzegovina after Alija Izetbegovic signs the plan and without waiting for Karadzic to sign the plan. Franjo Boras believes that the Vance-Owen plan will not be implemented without the significant assistance of international armed forces even if all three sides sign it.

Fresh clashes have erupted between Muslims and Croats in Konjic and Prozor, prompting Brigadier Milivoje Petkovic, commander of the main headquarters of the Croatian Defence Council [HVO] Armed Forces, and Arif Pasalic, commander of the Fourth Corps of the Bosnia-Herzegovina Army, to issue a joint command ordering an end to all actions damaging relations between the HVO and the Bosnia-Herzegovina Army, the release of all prisoners, and the lifting of all roadblocks.

It was reported from Konjic this morning that the Bosnia-Herzegovina Army has erected roadblocks. Konjic was targeted this morning by chetnik artillery, leaving three civilians dead and seven others wounded. Chetniks fired about 300 shells on positions held by Livno defenders this morning, but they scaled down their attack after HVO artillery returned fire.

Krajina Commander Warning; Exports to India

93BA0697H Belgrade POLITIKA in Serbo-Croatian 23 Feb 93 p 14

[Article by D. Kecman: "Everyday Life in Banja Luka: No Bars for 'Deserving' Soldiers"]

[Text] *Letter from Gen. Talic to civilian authorities in Bosnian Krajina warning them not to grant approval for the opening of bars and restaurants for reservists; "Rudi Cajavec" contracted for exports to India worth $50 million.*

Banja Luka, 22 Feb—The commander of the First Krajinan Corps, Major General Momir Talic, recently sent a public warning to all opstinas in that unit's zone of responsibility that included the following, according to the corps's press service:

"In many opstinas, several bars and restaurants have been opened in recent months, whose owners include members of the Armed Forces of the Serbian republic [of Bosnia-Herzegovina]. Without aiming to interfere in the jurisdiction of civilian authorities, but in order to preserve the unity and combat morale of our units, we ask you, until further notice, not to approve the opening of private bars and restaurants by any members of the Armed Forces of the Serbian republic [VRS] in the corps's zone of responsibility. Members of the VRS, the corps command, and subordinate commands will support all initiatives by competent institutions in the area of stimulating civilian production and other activities by state, social, and private enterprises which base their business and results on legal ordinances and thus contribute to the waging of the defensive war and to the strengthening of the Serbian republic."

In fact, this letter from the commander of the First Krajinan Corps, Maj. Gen. Talic, fits in with his visit yesterday to "Rudi Cajavec" in Banja Luka, where together with his chief of staff, Maj. Gen. Bosko Kelecevic, and the president of the opstina, Predrag Radic, he learned from general director Slobodan Kustrinovic that production at that collective is proceeding undisturbed in most product lines, and that it is being maintained especially well in the product lines that are of vital importance to the defense of the Serbian republic.

"Even under these conditions, new products are being developed in the field of electronics. My coworkers have just returned from a trip to India, where they contracted for a job worth $50 million. Business is also good with the FRY, which is of major importance. 'Cajavec' is a singular collective in the territory of the former Yugoslavia, and thus in the world as well, and once the state of war is over, our place will be demonstrated very quickly," director Kustrinovic said.

This visit and the cooperation between the command of the First Krajinan Corps and the economy, which are unusual under wartime conditions, fits in with the efforts by Krajinans to avoid interference or conflict with regard to certain responsibilities by civilian and military authorities. At the same time, cooperation by the military, whose composition includes civilians and workers from the economy, serves to strengthen the defense of this part of the former Yugoslavia.

Banja Luka electronics engineers have temporarily split up their duties. Some have taken up arms, and others are working in their jobs. Thus, any "derailment" by civilian authorities of the general efforts to continue developing the First Krajinan Corps as a stable, unified armed force in territory greater than Bosnian Krajina is immediately subject to public judgment. Thus, this statement by Gen. Talic and the written warning to civilian authorities that the opening of bars for reservists and certain "deserving" soldiers before the war is over, while everyone's life is an ordeal and almost all of Bosnian Krajina is in darkness, constitutes a special warning to those who are inclined toward wartime profiteering. This prevents divisions among members of the First Krajinan Corps, which have been successfully avoided thus far, because the families of killed and wounded soldiers are having a particularly difficult time.

Krajina Serbs Reject Croatian Draft Agreement

LD2303194293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1731 GMT 23 Mar 93

[Excerpts] Belgrade, 23 Mar (TANJUG)—The republic of Serb Krajina [RSK] has rejected a fresh draft agreement with the Croatian authorities, which Herbert Okun and Geerd Ahrens, deputy cochairmen of the conference on former Yugoslavia, brought to Belgrade today, the RSK Ministry for Foreign Affairs has disclosed.

Ahrens and Okun arrived from Zagreb and had two hours of talks with RSK Foreign Minister Slobodan Jarcevic.

As disclosed in a statement, the new draft agreement envisages "that the RSK government cannot set up its administration and police." The statement notes that Okun and Ahrens reassured the Serb side at the Geneva negotiations that Croatia is ready to unconditionally withdraw from territories which it occupied through its aggression launched on 22 January of this year. Today, however, they put forward an agreement which makes the withdrawal conditional.

Minister Jarcevic refused to discuss the proposed agreement and demanded that the Croatian side accept the draft which the RSK delegation put forward in Geneva. This draft specifies that the RSK will be ready to place under UN Protection Force [UNPROFOR] control Maslenica bridge, the Peruca dam, and Zemunik airport, and to open the Adriatic highway from Maslenica to Zadar.

The invitation of Okun and Ahrens for a RSK delegation to go to Geneva for negotiations on the extension of the UNPROFOR mandate, which expires on 31 March, has been accepted, the statement discloses.

"General Tudjman is conducting a hypocritical policy because parallel with the negotiations, Croatia's armed forces are waging a total war," Jarcevic told Okun and Ahrens. [passage omitted]

The statement adds: "There is nothing secret about the intentions of the Croatian authorities. Negotiations are just a smokescreen for preparations for a very serious war, which will be no different from the 1941-45 war."

Serbs Reportedly Launch Attach in Dubrovnik

LD2303183793 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 23 Mar 93

[Excerpts] An end to a general alert was sounded early this evening for the entire Dubrovnik region. The general alert was sounded twice today in response to an artillery attack by the Serb army in eastern Herzegovina. Increased security measures are still in force for the areas of Zupa Dubrovacka and Konavli where dozens of villages, whose population recently returned to their homes, have in recent days been the target of the chetnik long-range artillery deployed in the Trebinje municipality.

In today's surprise and treacherous attack by the enemy artillery on the town of Dubrovnik itself two civilians were injured with one of them having serious injuries. They have been admitted to the Sveti Vlaho hospital for treatment. As a result of this artillery attack all Dubrovnik schools, enterprises, and institutions have been closed. [passage omitted]

Dubrovnik Mayor Pero Poljanic addressed the people of Dubrovnik via Dubrovnik radio with words of encouragement. He appealed for caution and at the same time denied a report by Montenegro radio that the Croatian Army had pounded Trebinje today from artillery weapons.

Major General Nojko Marinovic, commander of the Croatian Army's Sector South based in Dubrovnik, reacted to everyday lies put out by the chetnik media by saying that today's artillery attacks on Dubrovnik and its outskirts were yet another evidence that Serbs from eastern Herzegovina have no interest in peace of any kind.

A sharp protest has been lodged with UN military observers, who themselves witnessed today's attack on Dubrovnik.

'Fierce Fighting' Reported in Northern Dalmatia

LD2403142293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1202 GMT 24 Mar 93

[Text] Knin, 24 Mar (TANJUG)—Fierce fighting between the opposing sides was resumed today along the entire northern Dalmatia front, the general staff of the army of the Republic of Serb Krajina [RSK] announced today.

As during the previous days, the Croatian Army has been indiscriminately pounding Obrovac, Benkovac, and other Serb areas using artillery, howitzers, and multiple rocket launchers with undiminished intensity.

Many of the towns have suffered large-scale destruction as a result of brutal shelling. In response, the RSK army has lodged a sharp protest with the UNPROFOR [UN Protection Force] command.

According to the RSK army statement, Krajina positions along the Zadar-Benkovac line, and especially those in the region of the village of Smilcic and in the Skradin and Cista Mala areas, came under heavy fire.

Along the Sibenik-Drnis line fierce battles are in progress in the region of Umka, a hill in the hands of and controlled by the Serb forces.

Positions of the Krajina forces in the Mali Alan pass on Mt. Velebit as well as the defense lines along the Vrebac-Medak-Pocitelj-Divoselo in the regions of Gracac and Gospic have been a constant target for the Croatian heavy and long-range artillery.

Small-scale clashes took place in the regions of Banija and western Slavonija where a considerable concentration of Croatian forces has been in evidence.

Tudjman Addresses Parliament

LD2303225493 Zagreb Radio Croatia Network in Serbo-Croatian 0920 GMT 23 Mar 93

[Address by President Franjo Tudjman to Croatian Parliament in Zagreb—live]

[Excerpts] Esteemed presidents of the Chamber of Deputies and the Chamber of Counties, ladies and gentlemen from both chambers of the Croatian state assembly, esteemed guests, and everyone present!

In view of the fact that this is the first session of our assembly constituted by fully adhering to the provisions of the constitution of the Republic of Croatia and that, in accordance with Article (?103) of the constitution I am obliged, as president of the republic, to outline the main problems concerning the situation in and the position of our state, it is my prime duty to congratulate all deputies on their election to the Chamber of Counties and on the trust they were given by their electorate. I wish them a great deal of success in their work in the interest of their counties and of Croatia as a whole. Further, I wish to express a desire for both chambers and the assembly as a whole to work as successfully and fruitfully as possible in carrying out their duties as the supreme representative bodies of the Republic of Croatia. And finally, I wish to express my firm belief that there will be complete mutual respect and trust between the Croatian state assembly and the president of the republic in executing their overall tasks in accordance with the spirit and relevant provisions of our constitution. [passage omitted]

The primary task facing the supreme and all state bodies and officials and, of course, the deputies and the assembly as a whole, and the president of the republic, in particular, is to consistently observe and implement the constitution of our state. With this in mind and in this spirit, I will now begin my address.

I will begin by reviewing the international circumstances throughout the period of creating our independent state. [passage omitted]

Certain current circumstances and an objective consideration of the current situation show beyond doubt that any other policy but the one pursued by Croatia's newly-elected democratic authorities would have been fatal and suicidal for the interests of the Croatian people and the state of Croatia. Many other additional explanations can be cited to reinforce the above. [passage omitted]

Concerning the problem of the zones under UN protection and resolving the issue of Serbs in Croatia: Esteemed deputies of both chambers of the Croatian Assembly, in an effort to persevere with our policy of aligning Croatia's state interests with the international situation, we accepted the UN Protection Force [UNPROFOR] on condition that the international community recognized Croatia within its borders. In this way we brought the war in Croatia to an end, thus preventing further destruction and even greater human casualties. Everything that happened and is happening in Bosnia-Herzegovina indicates the extent of destruction that the Serb aggressor was prepared to inflict upon Croatia. [passage omitted]

The UNPROFOR has fulfilled its original task: to end the aggression and to drive the Yugoslav Army out of the entire Croatian territory. However, as far as its other tasks are concerned, UNPROFOR has been impotent to fulfill them due to Serb resistance and inadequate powers during its present mandate.

Today, when we are faced with the issue of extending the UNPROFOR mandate, the situation is very different from the situation at the time when the first agreement was concluded. An agreement to be concluded next will be between the UN Security Council and the Republic of Croatia as a fully-fledged UN member and on the basis of generally accepted principles. In other words, the world abides by the principles of the unchangeability of borders by force. The world organization does not recognize the right of national minorities to self-determination since otherwise the entire world system would disintegrate without any possibility of creating a different one.

We have assurances that international factors will be fully on the side of our rights, that all issues regarding areas under UNPROFOR protection can be discussed on the basis of the premise that these are parts of the Croatian state.

For our part, Serbs in Croatia must have guaranteed civil rights and all rights for ethnic communities and national minorities. So, regarding the areas under UN protection, there can be no other solution but for the areas to be reincorporated into the Croatian territorial and constitutional-legal system.

Croatia—in accordance with its peaceful policy—will be ready to agree to extend the UNPROFOR mandate for six months, but on condition that UNPROFOR is given authority to fully implement the Vance plan in a specified time. Main international factors have voiced understanding for this demand.

Croatia is consistently championing a peaceful solution to the Serb question in the rebellious and temporarily taken areas. On its part, Croatia will continue to do everything to create preconditions for a swift normalization of relations and life in those parts of Croatia.

Areas under the control of the insurgent Serbs make up about 22 percent of Croatian state territory. According to the 1991 census, about 520,000 people, or 10.87 percent of the population of Croatia, lived in those sparsely populated areas. Forty-five percent of the total number of the Serbs in Croatia lived in those areas, according to the 1991 census. Only 4.6 percent of the

population of the Croatian state lived in the Knin and Glina districts, which make up 12.5 percent of the republican territory. Prior to the aggression against these districts, 24.8 percent of the overall number of the Serbs in Croatia lived in them, that is, just under a quarter of them.

This demographic picture has changed in the past two years due to the war. Following the departure of the Yugoslav People's Army and other migrations, it is estimated that the number of Serbs in Croatia has fallen by 8 percent. The rebellion against the Croatian state in the so-called Serb Krajina was organized by Greater Serbian trends in Belgrade and is being sustained even today with the armed and other assistance of Serbia and Yugoslavia.

In an effort to avoid fresh war casualties, Croatia is trying to end the Serbian aggression against Croatia with the help of the international community. This would create conditions to end the rebellion and terror of local extremists, and for the normalization of a situation that is unbearable even for the local Serbs. [passage omitted]

Although we will persevere with our policy of searching for a peaceful solution, we nevertheless remain determined to introduce the legal-constitutional system of our state on its entire territory.

In order to speedily to normalize relations with Serbs from the zones under UN protection, Croatian democratic authorities are willing to cooperate with all well-intentioned people. We want free local elections to be held in those areas. After the elections I propose that the Croatian assembly pass a decision enabling representatives of the Serbs from the two districts where they are in the majority to take seats in the assembly's Chamber of Counties and to consider the entire question of Serb representation in the Chamber of Deputies. This is all in line with our commitments contained in both the constitution and our legal documents.

Concerning Croatia and the war in Bosnia-Herzegovina: Esteemed deputies in the Croatian state assembly, the causes of the war in Bosnia-Herzegovina as a result of Serb aggression are known to you. However, it is still uncertain how long this horrific settling of accounts will last and what its outcome will be, and this is what interests Croatia most. It is of vital importance for Croatia to see the war ended as soon as possible and for a political solution to the Bosnia-Herzegovina crisis to be found.

Croatia was and must remain eager to see a solution found, first, because of the geopolitical and strategic link and interdependence between Croatia and Bosnia-Herzegovina; second, because a considerable part of the Croatian nation which has lived in Bosnia-Herzegovina from time immemorial and before any of the other state-building nations; third, because of the impact which the war in Bosnia-Herzegovina is having on overall economic and political situation to such an extent that there can be no normalization of life in the troubled areas of Croatia until a solution for the Bosnia-Herzegovina crisis is found.

The world unfortunately failed to fully comprehend that all the problems of former Yugoslavia were concentrated in Bosnia-Herzegovina in a much sharper form. The time has come for this horrific war to be stopped because of the possibility of it transcending the limits of a local and regional conflict. Because of the involvement of Russian volunteers on the Serb and of mojahedin on the Muslim side, there is a growing danger of a conflict between the Islamic and Christian, and between the Orthodox and Catholic worlds. It is no longer a secret that the Muslims of Bosnia-Herzegovina have been receiving generous help from more moderate Islamic countries and the Serbs from extremists, Orthodox, and Bolshevik groups from Russia.

The Western world has so far shown too much indecisiveness and lack of unity in halting the Serbian aggression, taking considerable humanitarian measures, but being ineffective as regards halting the war. There are several reasons for this. The most important one is, certainly, that the world did not have a mandate to deal with an objectively extremely complex problem of the crisis in Bosnia-Herzegovina. The world has condemned the Serbian aggression, but has obviously also taken a stand against the tendency of establishing an Islamic state in Europe.

The correctness of Croatian policy is reflected in an obvious way in the example of the situation in Bosnia-Herzegovina. In the light of the importance and the world dimensions of the Bosnian crisis, and particularly because of the considerable misunderstanding displayed in the overall policy toward the Bosnian crisis, it is worth recalling main the directives of the Croatian policy:

The Croatian people in Bosnia-Herzegovina were the first to unite in the struggle against the aggressor and, comprehensively aided by their mother country, managed to defend a larger part of their territory. In that way the Croats prevented the entire Bosnia-Herzegovina from falling, or from becoming a part of Greater Serbia or third Yugoslavia a long time ago. Croatia has recognized Bosnia-Herzegovina and was the first, and the only one so far, to send its ambassador to that country. Within the framework of the London, Geneva, and New York conferences on former Yugoslavia and Bosnia-Herzegovina, we were principled in urging a solution of the future organization of Bosnia-Hercegovina which could be a basis for a stable peace.

On the basis of our overall experience, our stance is that Bosnia-Herzegovina can survive only as a state community of the three equal constituent nations, each of them governing areas in which it constitutes a majority. Only such a solution can be a guarantee that civil and national rights on the basis of reciprocity will not be denied in the remaining areas, where others constitute a majority. This would guarantee the existence and sovereignty of the

Croatian people in a comparatively important area which is of interest for their future in Bosnia-Herzegovina, and also for the strategic stability of the Croatian state.

The historic fact is that we offered maximum help to Bosnia-Herzegovina and have been providing for half a million refugees. Some in Bosnia seem to be forgetting that, although we have been praised for it by the entire international community. Even representatives of an official delegation of the Islamic states stressed that Croatia is the only friend of Bosnia-Herzegovina in Europe.

On our part, we have constantly been making efforts to establish full cooperation between Croatia and Bosnia-Herzegovina in the war against Serbian aggression, particularly to harmonize relations between Croats and Muslims, both in Bosnia-Herzegovina itself and in negotiations before international factors.

Unfortunately, open conflicts occurred in Bosnia-Herzegovina between Croatian and Muslim formations in certain places. Croats are feeling threatened not only by the Serbian aggression, but also by some intentions and moves by certain obviously unreasonable Muslim extremists. While our efforts were directed toward halting the war and searching for a political solution, trying to explain to the world the sources of the existing problems, and the reasons for the crisis and the war, a part of the Muslim leadership, which did not carry out preparations for resistance during the war against Croatia, has been trying to find solutions in the war, while reality is increasingly showing the hopelessness of such orientation.

We can recall with pleasure that the international factors, including the conference on former Yugoslavia and Bosnia-Herzegovina and leading world statesmen, supported our policy, assessed it as constructive, and took it into consideration in their proposals. From our point of view, it should be stressed that this is in the interest of peace, and particularly in the interest of the entire Croatian people and its state.

We therefore support and expect more effective actions by the international community to end the war of aggression, in the hope that we are nearer a solution which will lead to peace and be acceptable to all three constituent nations. This is of vital interest for the security of the Croatian state. [passage omitted]

Statistical Data for February Presented

AU2303172893 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 23 Mar 93

[Excerpt] The state statistics institute held a regular monthly news conference today. According to the preliminary data, the scope of industrial production was in January and February 1993 nine percent lower than in the same two months last year. The number of employees is shrinking, too. More than 120,000 people were out of work by the end of January. Zdenka Bakalar reports:

[Begin recording] Let us first look at the data for industry, which in February produced 3.2 percent less than in the month before. However, it should be stressed here that the data is provisional and that February had one working day fewer than January.

In comparison to last year's average, the Slovene industry in February produced 10 percent less. Stocks of industrial goods were in February 10 percent lower in comparison to least year's average. However, in comparison to the previous month they stayed at almost identical level.

The data for February provided in a survey dealing with the problems of industrial companies do not show any significant change in comparison to January. While the purchase of raw goods and materials abroad and at home is generally running smoothly, two thirds of those polled encounter problems in purchasing raw materials from other republics of the former Yugoslavia. Similarly, 40 percent of industrial companies do not encounter problems in selling at home and abroad, while only 5 percent of them can say the same for selling to the countries of former Yugoslavia. However, matters complicate further in payments operations. A staggering two-thirds of industrial companies encounter such problems, while more than a fifth stated that the situation with payment of bills in already critical.

The number of employees in industry in February decreased further by 1,551 in comparison to the month before. There were more than 120,000 unemployed in Slovenia in January 1993. The unemployment rate is running at 13.4 percent. In comparison to January 1992 the number of unemployed increased by a little less than a third. [passage omitted] [end recording]

Federal

Government To Adopt Economic Measures

LD2303174093 Belgrade TANJUG in English 1414 GMT 23 Mar 93

[Text] Belgrade, March 23 (TANJUG)—The Yugoslav Government is Thursday [25 March] to adopt economic measures aimed at alleviating the negative trends in the country's economy, TANJUG has learned.

The Federal Republic of Yugoslavia (F.R.Y.) has for ten months been living [words indistinct] economic and political sanctions, imposed by the U.N. Security Council over its alleged involvement in the war in the neighboring Bosnia-Herzegovina.

The new Yugoslav Government, inaugurated on March 2, was working speedily on a proposal of measures.

TANJUG has learned that the economic policy would be pursued in three stages. In the first, when the sanctions were still in force, the main goal should be alleviating the drop in the production and curbing hyperinflation. A record monthly inflation was recorded in Yugoslavia in February—211.8 percent, which is about one million percent at the annual level.

Curbing hyperinflation, in view of experts, was not possible in conditions of Yugoslavia's total international isolation, coupled with an oil embargo and an almost total standstill of imports and exports.

In the second stage, following immediately the lifting of sanctions, the Yugoslav Government plans as its main goal the revival of production. It is believed that in this period bridging of the financial gap in the balance of payments and securing working capital for the economy would pose the biggest problem.

The third stage envisages the renewal of cooperation with international financial institutions and launching macroeconomic stabilization.

Also, it was learned that the devaluation of the national currency, the dinar, would be one of the first measures.

Economic experts believe that the need for an imminent devaluation was also made indicative by the nearly five to one difference between the blackmarket and official exchange rates of foreign currencies.

So far, the government has only unofficially announced that in the future the foreign currency exchange rates would be formed at the blackmarket levels. At the same time, measures would be taken against the street dealers, as purchases of foreign currency would be made possible from authorized institutions.

The government program, while the sanctions remained in force, envisages direct control of the prices of food, fuel and power and those services that have a bearing on the living standard of citizens.

Jugoskandik Owner Criticizes Montenegrin Officials

AU2303171893 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 23 Mar 93

["Excerpt" from an "exclusive" interview with Jezdimir Vasiljevic, owner of Jugoskandik Bank, by an undentified reporter; place and date not given—recorded]

[Text] [Vasiljevic] My associates and I will do whatever we can to return the property seized in Montenegro. [word indistinct] I received a report that [Montenegrin Prime Minister] Milo Djukanovic said that he has no intention of returning the oil. Even though a court has issued a (?provisional report) that there were 63 million liters of [oil], some 53 million liters have disappeared. There are only 10 million liters left. Therefore [words indistinct] because we have a court judgment on (?the amount) of oil.

I was shocked that as prime minister he publicly and categorically protected a thief like Micko Vukotic, who misappropriated 3,700,000 German marks and [words indistinct]. He does not intend to blame him. He (?intends) to use this oil to pay for the fraud. I cannot understand this. I was wrong, but he has 42 (?ships) abroad that will disappear. I guarantee him this with my life. Account holders must get their money back, and I must regain mine, too. A state cannot be founded on fraud and embezzlement. It cannot be founded on theft. We have reached the point where even ministers are being arrested. Believe me, this is only a drop in the ocean. There are many more of them.

Micko Vukotic cannot steal money from Montenegro, and Montenegro (?cannot) misappropriate [number indistinct] million liters of oil. He cannot get away without returning money that he received for St. Stefan. The city of Belgrade cannot get away without returning 4 million German marks that it took as a loan. They will have to pay this back. The time of plunder and embezzlement has ended.

One of the reasons I left is to protect my life to be able to fight. I [words indistinct]. I must fight for my honor of for the honor of my children. I must get my property back [words indistinct].

Ambassador Criticizes Croatian Ethnic Cleansing

LD2403051293 Belgrade TANJUG in English 0033 GMT 24 Mar 93

["Pool" item]

[Text] Geneva, March 23 (TANJUG)—Ambassador Vladimir Pavicevic, head of the permanent mission of the Federal Republic of Yugoslavia in the United Nations Geneva office, on Tuesday [23 March] informed officials of the United Nations and the International Committee of the Red Cross (ICRC) that the Croatian authorities were practicing discrimination and ethnic cleansing against Serbs with the aim of forcing them to

leave the territory of that former Yugoslav republic, which forcibly seceded from the former Yugoslav federation in summer 1991.

In a letter handed to the president of the U.N. War Crime Commission, the director of the U.N. Human Rights Centre and the ICRC president, Pavicevic said that the latest example of Croatia's discriminating policy against the Serbs was the establishing of a military court in Dubrovnik, which, like a similar court in Split, had brought charges agains a group of 13 Serb lawyers because of their alleged involvement in an armed rebellion.

Pavicevic asked senior U.N. official in Geneva Vladimir Petrovskiy to inform about this special rapporteur of the U.N. Human Rights Commission Tadeusz Mazowiecki and competent international institutions and ask them to send their representatives to follow the proceedings and present a demarch to the Croatian authorities.

The group of 13 Serb lawyers facing a trial because they voiced opposition to Croatia's secession from former Yugoslavia during talks which they had in 1990, when Croatia was still a republic within the former Yugoslav federation, with then member of the Yugoslav President Branko Kostic and President of the Yugoslav Republic of Montenegro Momir Bulatovic, said the letter.

The group will be tried under the Croatian penalty law adopted in February 1991 for acts committed before its adoption, said Pavicevic.

He also called the attention to Croatia's measures of repression taken against the Serb population, ranging from threats, dismissals from work and physical assaults to murders and staged political trials.

About 300,000 of the 400,000 Serbs living in Croatia (excluding the Serb Republic of Krajina) fled Croatia last year as a result of such policy, Pavicevic said in the letter.

Managers of Banks on 'Discipline' Measures

93BA0718C Belgrade VREME in Serbo-Croatian 1 Mar 93 pp 16-17

[Article by Dimitrije Boarov: "Much Ado About Nothing"]

[Text] Following the brave announcement that the disorder in the financial sphere was to be straightened out, Nikola Sainovic, Serbian prime minister, showed himself to be much more cautious and mysterious in a promotional speech in which in a presentation of his first package of measures he practically skipped over the issue of the "rapid growth of the army of smugglers, private banks, and savings banks." The intention of the government to "decisively revoke the license of all banks, whether private or socialized, if irregularity is found in their operation" might in theory be more frightening to the old government banks than those that have risen up from the so-called street economy. Nevertheless, theory is one thing and what various teams are offering Sainovic as measures to take in the monetary sphere are something else.

The Government's Job

Some of those dilemmas about straightening out the "newly established banking" were broached in the roundtable discussion of EKONOMSKA POLITIKA on Thursday in the Interkontinental Hotel in Belgrade. In opening the meeting convened on the topic "Advantages of Private Banking and the Shortcomings of Small Banks," my colleague Vladimir Grlickov invited the managers of the nine leading "new banks" (only Dafina and Jezda did not come) to comment on the measures being prepared for them.

As part of the now modern "optimization" of the banking system, a rise in the minimum amount of capital for establishing banks is envisaged. The numbers being talked about are between 10 and 30 billion dinars, but it is assumed that the amendment to the law would not operate retroactively, because it is not certain that anyone would be able to meet the condition immediately, according to what the bankers themselves say. Whether $2.5 million is "objectively high" is another story. But even if a short period of time is established for putting together the imposed "real founding capital," there would be a "disastrous optimization" in our banking.

Another area in which the government might introduce "discipline" in the new banks would be a sterner attitude on "professional and moral qualifications" for managing banks and conducting their business. It can confidently be said that even a disinterested application of these criteria could cut the number of banks in half.

Most delicate would be any action to investigate the "origin of money" which has flowed and is flowing into the new banks. That is also being recommended, reliance being put on certain arrangements in the advanced world.

It is assumed that allowing all the banks to purchase foreign currencies at the commercial rate would automatically destroy the dealing with foreign currencies on the street. But then the first blow would have to be survived, and also the possibility for manipulation would decline—for everyone, including the government.

The last round of measures was aimed at disciplining flows of cash: from the mint, through government institutions, to the banks and consumers.

In banking circles, it is felt that even in this wartime and dramatic situation the government will not be so shortsighted as to use administrative coercion to "control interest rates" (borrowing or lending, it makes no difference), or some kind of takeover of foreign exchange

reserves which are now in various accounts abroad, where they are held by our quasi-governmental business entities.

Nevertheless, as far as interest rates are concerned, it is not precluded that it might occur to someone to use the government for some "unburdening of the economy" even at the cost of buying money, especially when we recall that the most famous banker of the Serbian people began every speech against inflation with that motto ever since he came to head now the party, now the government.

Erosion of Capital

At a news conference (on 22 February in Novi Sad), the top man of Vojvodjanska Banka [Bank of Vojvodina] and Zivota Mihailovic, M.A., president of the Association of Banks of the FRY [Federal Republic of Yugoslavia], did not "bite" on the question of what interest rates would be in March, but he did say, seemingly in passing, that when it comes to interest rates and the new measures of the Serbian government, "every government has the right to demand and get a chance to get its breath." It is difficult to draw any serious conclusion from this incidental observation, especially when we note that Mihailovic emphasized several times that the rates of interest collected from the economy last year were not realistic at all, and so even this, the largest Yugoslav bank, in spite of operating in the black, had actually reduced its own capital in real terms by about 14 percent (when real inflation is taken into account). And interest rates in the first three quarters, it is interesting, were higher than the current rates of inflation, but they fell drastically in the fourth quarter (was this the buying of social peace just before the election, or did the sanctions "come due"?). If the aggressive Vojvodjanska Banka paid for this with a shrinking of its capital, how did the other large and old banks fare?

In that sense, it has not been easy even for the "new banks." Nenad Urosevic of the PKB Bank says that when he looks at the charts of the interest rates being collected and inflation rates, he sees a large zone of "debtor gain." We are ruining the capital of the bank, its erosion has been horrible in 1991 and 1992, Urosevic says, noting that certainly the rule "ask the liabilities what the assets are doing" is surely not operative here as yet (which means, the banks are still not private). One particular problem is that the government has also battened on to interest rates as a tax base.

Milorad Nikolic of Karic Banka replied simply to the widespread government remark that the new private banks have exaggerated with the level of the interest rates they have been offering to the public and that they have been engaged in "all manner of things." It is hard for the private banks to obtain inexpensive resources, and when they pay a high price for money, they have to aim for a certain profit with it, and that means transactions conducted under the management of their own firms.

Nor is Mirko Piljak of Trgovacka Banka against the banks doing business in other domains throughout their own companies, because it is important to prevent the erosion of capital. But he feels that the broad scattering of interest rates from 40 to 210 percent per month cannot be supported by even the richest countries. Meanwhile, he relates the possible regulation of interest rates exclusively to nonadministrative measures, above all, to a more realistic discount rate of the National Bank of Yugoslavia. It is, of course, indispensable to try at least to clear up the "contaminated receivables," at least to settle the issue of the old foreign exchange savings, Piljak says.

Miloje Lukic of Control Banka says, simply, that 90 percent of banking operations in Yugoslavia are illegal and that he understands why the government wants to undertake something, "because if the government does not try to work that out, this means that all of that is to its liking." Nor does Lukic spare the "new banking" when he says that it is still "banking among familiars" and that it will be tested only when the first "hard freeze" comes.

There Are No Oases

Dragoljub Vukosavljevic, director of Union Banka, however, puts the question of whether banking can be more stable when nothing is stable anymore, because there does not exist the minimum of order in society. The proposed amendments to the law on banks is worse than the law which we have, Vukosavljevic says. In his opinion, it is nonsense for the Yugoslav rate of the mark to be 460 dinars, the republic rate—6,000 dinars, the street rate—12,000, and we do not know where the real rate is (higher or lower). He says that neighboring countries should be taken as a model in "freeing" the exchange rate. Vukosavljevic says that the interest rates being paid by savings-credit cooperatives are simply incredible, and that he only hopes they do not get into trouble, because the consequences will be felt by the entire banking system.

Branko Dragas of Kredibel Banka recalls that the "symbol economy" in the world is far above the real economy, but that something like that requires a financial market which will guarantee the safety of transactions, save on costs, and protect depositors.

Marinko Milovic of Jugoslovensko-Svajcarska Banka [Yugoslav-Swiss Bank] believes that some of the foreign exchange being purchased on the street actually does not come back to the country, does not go back into the economic flow, but moves into accounts abroad, where it is waiting for the blockade to end. The problem with the street is that only those who dare to break the law go to it. It is indispensable to equalize the position of the banks.

Prof. Zivota Ristic of the LHB Bank thinks that the newly established private banks deserve instead of criticism, recognition for what they have done up to now (none has had losses even during their first year of

operation, which no one in the world is able to achieve). Nevertheless, he notes that now they cannot go any further, they cannot develop, and they will begin to operate to their own detriment. After all, there are those among them which can no longer keep up with the pace, and they are no longer "loyal to the market."

Serbian Firms' Trade With Macedonia Profitable

93BA0715D Belgrade BORBA in Serbo-Croatian 3 Mar 93 p 10

[Article by Vojkan Ristic: "Private Businessmen Turn Over Millions of Marks"]

[Text] With the collapse of the second and the creation of the third Yugoslavia, Pcinja Okrug has assumed the role of holder of the "keys" to the southern gate of the FRY. The border crossing at the village of Cukarka, near Presevo, is currently the sorest spot on the southern border of the newly created state. Macedonia needs food products, and in return tobacco, technical goods, and materials for construction and other purposes are arriving in Yugoslavia. Added to these current-day commercial-black market products are things traded in this region even before the incision made by the collapse of the former state: foreign exchange, drugs, and arms. It can be said without an excessive dose of pessimism that the figures from the SUP [Secretariat for Internal Affairs] in Vranje, according to which more than 2,600 criminal acts were recorded last year, could be exceeded this year by as much as 100 percent, which means that as many as 15 unlawful acts subject to criminal prosecution occur every day in this part of the FRY.

"Although many criminal acts have not yet been solved, Vranje is nevertheless one of the five cities in Serbia with the highest percentage of solved cases," says Mile Krstic, the assistant chief of the Vranje OUP [Department of Internal Affairs], noting that that figure is around 60 percent. No one can tell you reliably how many cases there are that are subject to criminal prosecution but that have not yet been recorded, even despite the reinforced efforts of the financial police in this Serbian okrug. Many people have amassed enormous riches by smuggling cigarettes, petroleum, flour, cooking oil, and meat (usually live pigs) without being caught by the claws of the law.

No one in Presevo, Bujanovac, or Vranje agreed to talk before a journalist's open notebook or running tape recorder, but nevertheless it is possible to discern that these are mostly young people ready to take risks, where depending on "the number of export trips to Macedonia" they earn "10,000 to 15,000 German marks" a month.

"The most important thing is to be first. To discover a commodity that sells best in Macedonia, and even in Kosovo. The commodity must be high-quality and produced in verified Serbian factories. For example, 'tea sausage' must be from the meat industry in Subotica, the former '29 November,' or for filled pastries and cutlets of meat the best-sellers are from 'Karpeks' in Vrbas. All these goods are sold for marks, which our buyers in Kumanovo or Skopje buy at a much better exchange rate for their denars that we can get in Vranje," one of the owners of a private trading company in the central opstina of Pcinja Okrug admits to BORBA.

It is estimated that the majority of the owners of trading companies in southern Serbia have gotten rich over night. They comprise 2 to 4 percent of the population, including the directors of major state enterprises who in not a small number of cases were involved in the illegal export trade, bringing in enormous quantities of foreign exchange. Rough estimates indicate that some businessmen from Vranje, Bujanovac, and Presevo have earned between 800,000 and 1.8 million German marks thus far, not counting the percentage (in foreign exchange, of course) that goes to people involved in the entire chain of illegal trade on both sides of the border.

Even before the "scalpel" of disintegration set the border between Serbia and Macedonia, the town of Veliki Trnovac already constituted a little Hong Kong for arms and drugs. This town is not on geographic maps, but for that reason it is drawn in on Interpol's maps. The town is purely Albanian, and nearly 10,000 people live there. Less than 1,000 work in enterprises, and a somewhat larger number live from harvesting tobacco. Many family members work abroad, primarily in Germany and Switzerland. Except for the traditional Albanian iconography, with high walls around every house, everything looks very modern, and even girls go to school.

"It is true that much of that can be bought here. It is said here in jest that you can even buy an aircraft carrier here, in parts," says—anonymously—one of the millionaires whom we find in Veliki Trnovac. The Albanians are unwilling to talk, even if you introduce yourself as a "businessman." They say that letters of introduction to buy goods in this town are obtained in Istanbul or Belgrade. All we manage to learn at the Bujanovac OUP is that thus far many residents of Veliki Trnovac have been sentenced for drug trafficking by courts all over Serbia, primarily in Nis and Pirot. Thus far, prison sentences have been earned because of drugs by Isa Ramadani, Fejza Sulejmani, and Ibrahim Sabijani. Besides drugs, arms and foreign exchange are the main elements of commerce in this town. It is impossible to learn anything about earnings, but it is realistic to assume that they are measured in the millions of marks.

In Vranje they tell you that for now the police are uncovering 90 percent of the cases, because the financial police has not yet "gotten moving." One of the things that delays work, according to okrug public prosecutor Srboljub Stefanovic, is the outdated Penal Code. That code was adopted back in 1977, but accumulating wealth, the black market, smuggling, and illegal trade are becoming the lifestyle of a number of people on the southern border.

The very fact that nearly 3 million marks have passed through the giro accounts of the 10 biggest private companies in Pcinja Okrug raises the question of how much unregistered cash has passed through by way of illegal commercial transactions, which are multiplying with the drawing of the new borders. For now, the exchange rate of the mark is stronger than the force of law and the efforts of the police.

Serbia

Seselj Addresses Crowd on Ousting Cosic

AU2303185793 Belgrade POLITIKA in Serbo-Croatian 23 Mar 93 p 6

[Report by P. Simic: "Seselj: Cosic Will Be Finished in 10 Days"]

[Text] Bijeljina, 22 Mar—Speaking in front of several thousand people in the town's square last night, Serbian Radical Party President Vojislav Seselj spoke, among other things, about the work of Yugoslav President Dobrica Cosic.

Last year we had traitor Milan Panic as prime minister. We ousted him, and we will now do the same to Dobrica Cosic. He will be finished in about 10 days. Even though the Serbian Radical Party is the second strongest political party in the Federal Republic of Yugoslavia, it did not want to be a member in the governments of Serbia, Montenegro, or Yugoslavia. Why? Because it did not want the country to be without opposition. No. We did not enter these governments, but we did extend our support to them when they were formed, under one condition—that they support us when we oust Dobrica Cosic. Therefore, Cosic must fall. He simply does not stand a chance of surviving. If he does not fall by any chance, then both the federal and republican governments will fall. They will simply no longer enjoy our support in Serbia. This was stressed, among other things, by Vojislav Seselj.

Trade Unions Announce 'Warning Strike'

AU2303201693 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 23 Mar 93

[Text] The Presidium of the Federation of Serbian Trade Unions has adopted a unanimous and irrevocable decision that on Friday, 26 March, a one-hour warning strike be held in the republic between 1000 and 1100. The warning strike in the capital of the Federal Republic of Yugoslavia, Belgrade, will be held between 0700 and 2200 on the same day.

Conflict Between Belgrade, Serbian Heartland

93BA0718B Belgrade VREME in Serbo-Croatian 1 Mar 93 pp 12-13

[Article by Stojan Cerovic: "The Call of the Urban Wild"]

[Text] Belgrade has a new government consisting primarily of those same SPS [Socialist Party of Serbia] personnel, but a relatively new man has emerged to head it: Nebojsa Covic, who is said to be able and promising. He previously proved himself as director of some canning factory and it would not surprise me if someone in his party had hit upon the idea that precisely that experience would be valuable in governing this city. From their standpoint, we can all be looked upon as cans: You can put in them anything you like, and after use, you can throw them away.

Covic himself seems like one of those semiprepared products which the SPS has been offering for years in its effort to prove that it is no longer a party harking back to yesterday and the day before yesterday. I for one am convinced. Half of their people have gone over to the Radicals without suffering any kind of psychological-ideological trauma or breakdown, and even those that are left admire Seselj as much as they do Milosevic. The SPS, then, is definitively no longer a Communist Party, except insofar as the SRS [Serbian Radical Party] and all the national extremists resemble the Communists.

From the way in which the new star was presented to the public, many concluded that Covic would become the prime minister of Serbia. But at the moment that is not a po[illegible] which one can make a career and so it belonged [illegible]vic, who for a long time has been in various [illegible]ents, his service life has expired, and it is easier to [illegible]o be sacrificed and thrown to the strikers and hungry populace. What is expected of Covic is to govern Belgrade, which is a much more serious matter and a bigger challenge. Milosevic, that is, has two priorities: the FRY, where Dobrica Cosic is sitting and we have yet to see what is going on with him, and Belgrade, which is constantly rejecting him as a foreign body.

A big city is always a bit extraterritorial and autonomous. Often, it is easier to govern a state than a metropolis, which contains many complicated and dangerous forces, an entire network of ties, relations, and influences created long ago, which as a rule is tough and resilient. It appears to easily give in and relent to every new authority, while it slowly unwraps it, chews it, swallows, and digests it. A big city is difficult to destroy and altogether impossible to conquer. City girls regularly have an easy time conquering and taming robust victors in war, as is described in the film "You Only Love Once."

A new revolutionary government is always very self-assured, talks too loud, and unfailingly introduces some kind of discrimination. All of this is an insult to a large city, in which everyone is in the minority by definition, simply because he is first and foremost a city dweller. Tolerance is automatically imposed as the only possible way of life, because it is not possible to move about the city on the basis of might makes right. That would mean unceasing conflicts with others, outbursts, conflicts which in the end fatigue any bully.

Belgrade recognized rather quickly that the Milosevic regime, regardless of ideology and all the rest it has retained from the former authority, is actually a revolutionary government which is beginning to threaten the urban order. Resistance was evident in the elections in both '90 and '92, but the opposition was not victorious in the total vote because Belgrade is made up of only three and a half central opstinas. Here it is not so much a question of ideological resistance and anticommunism as of protecting the city from a regime which relies strikingly more on rural areas and the interior. The opposition has simply been operating more urbanely.

The dispute between the capital and the interior is old and eternal, although considerably diminished where there are rival cities, and with the help of television it is almost smoothed over. But not in Serbia. It is here that there is the deepest division into those who watch Studio B and listen to B-92 and the others who are hostages to Milorad Vucelic. At one time, it seemed that the regime no longer mourned the loss of Belgrade, counting on always being able to outvote it, but now a real war is beginning between Serbia and Belgrade. The conquerors have reached the ramparts of the circular route of the No. 2 streetcar, they infiltrated their people, but neither Milosevic nor Seselj can stroll through the city without 20 or so guerrillas, and they can no longer even think about any kind of a rally.

Belgrade was never an altogether Serbian city. In Serbia, even a sizable portion of the urban elite puts more trust in rural areas and always preserves the longing for a return to village life as the only authentic life. For some reason, it seems to believe that all cities are the same, and only our rural community is our own and special. I think it is just a question of the rural consciousness being narrow, sufficient unto itself, and unaware that nature, fresh air, plums, and suckling pigs are similar everywhere. Every village is for itself the center of the universe, but in the city you have to become accustomed to a sense of universal relativity, including even your own importance.

It is only in the recent past that Belgrade became a big city and spread unnaturally, so that it is not able to embrace all of itself. Until just a few decades ago, many Belgraders lived pretty much in their own neighborhood as though it were some little town. But the traces of an unusual past, of certain former owners, have always been felt here, and there has always been a diverse population, having stayed on here or wandered here from somewhere, and that provides the ray of cosmopolitanism without which there is no big city. The Jews have always been valuable in this regard; they have the liveliest communication and are constantly bringing in something from afar, and Belgrade had its Jews.

As the capital of a pretty much centralized and diverse country, Belgrade grew and gained enormously in spirit and importance. Communism was not much of a bother here. If it would be a sin to say that this was a time of Pericles, Belgrade's best years were nevertheless the fifties and sixties, when it instilled a veneration in people in the interior greater than is now instilled in us by the world capitals. At that time, those who could not and did not want to belong to anything local, who were uncomfortable in small and homogeneous places, came here and stayed, many found shelter here from old hatreds and revenge, or they believed that it made sense to invest will, talent, and ambition in this city. And then Yugoslavia fell apart, and Belgrade turned out to be too large, too good, and too diverse for the cramped government and state burdened with the rural mentality.

Most of the Serbian opposition sits in Belgrade, whence it is obviously difficult to reach an understanding with the interior of Serbia. However, they are not ready to make Belgrade ridiculous in order to please Serbia, but the success of the SRS is largely based precisely on Seselj's coarse rural manner and undisguised contempt for Belgrade, which to him seems decadent and old-fashioned. That is the way the city has always looked to the rural areas, but then there is also the envy of those who live in too close a relation with nature. The call of the rottenness of the city has always been irresistible for the peasant's health.

Even this refreshed populist-peasant regime knows that it makes no sense to conquer Belgrade, because it is good only the way it is. It could become and is becoming worse, coarser, and uglier, but if they altogether take control of it, they will lose it both for themselves and others. The battle for Belgrade, if only it lasts for awhile, is lost for conquerors who in the end lose heart and only want to belong to the city. A big city has large reserves of assimilative energy and it can be threatened only by a sudden change in population. Something of the kind is happening to Belgrade, but its survival is threatened much more by Belgraders who are leaving than by refugees who are coming. Old Belgraders are a small and highly mystified category of inhabitants, and the city was built up much more by newcomers who adapted to it. But there has to be something to which to adapt. Something of the city seed must nevertheless remain.

Of all the political conflicts in Serbia, this battle for Belgrade is the most interesting and important, because this is the battle for civilization, for a model of life, for something much bigger than territory, than ideology, than a monarchy or republic. Belgrade is almost the only embryo of civil society in Serbia and it can be defended only by civil means and methods. Nor dare one overlook and underestimate the greatest weakness of the Socialist-Radical conquerors, and that is the desire to become Belgraders. Just like the Communists in the past, so the SPS is choosing carefully whom it will put into power in Belgrade. It takes care that this is a person who is orderly and polite in what he does, at least at first glance, like Dr. Gruden, the lady mayor.

But certainly Nebojsa Covic is expected to show some tact and subtlety, and that is already something. They nevertheless did not dare to bring Bidza to Belgrade.

Medicine Scarce, Bread Rationed in Nis

93BA0675D Ljubljana DELO in Slovene 25 Feb 93 p 20

[Article by Slobodan Dukic: "Two Loaves of Bread a Day in Nis"]

[Text] There is also a shortage of medicines in the city; doctors are stealing from state hospitals.

From our correspondent.

Belgrade, 24 Feb—Nis, a large industrial center, is the first city in Serbia where the sale of bread has been restricted: people can buy at most two loaves of bread a day. At the same time, the city authorities are demanding that the state immediately introduce coupons for flour, cooking oil, and sugar.

Furthermore, people in Nis are also warning the authorities in Belgrade that for some time now they have had a shortage of all types of medicines, so that the work of hospitals, health centers, and clinics has been completely blocked. The Serbian economy and market are facing complete collapse, people are suffering from shortages, and black markets are flourishing throughout the entire state. Crime has spread in all strata of society. In Nis, inspectors have caught doctors who stole medicines from the state hospitals, and then sold them to private doctors. Just yesterday, 1,500 products became more expensive in Belgrade shops, the lowest personal income amounts to 37 German marks, and it is known that even that money is not being paid regularly. There is no flour, cooking oil, or sugar in the stores. The producers have goods in warehouses, because they are dissatisfied with the current prices. The government announced yesterday that it would control the prices of a third of the products and services, especially those considered the most important ones. That means that it will control primarily the prices of bread, milk, cooking oil, sugar, and several other products. Yesterday evening there was a twofold increase in the price of gasoline, and soon electricity is to become 150 to 200 percent more expensive. Workers' organizations are warning that there may be a serious outbreak of dissatisfaction because of this.

The vice president of the ruling Socialist Party, Goran Percevic, recently admitted that the authorities were afraid of a domestic social explosion. That fear is certainly justified, since dissatisfaction can be felt throughout the entire country. Production has declined by 55 percent in comparison with last year, unemployment has increased by about 60 percent, and monthly inflation amounts to more than 100 percent. The state has so far avoided mass outbreaks of dissatisfaction by constantly printing new bank notes, and then officially increasing wages by 60 to 70 percent. People had the feeling that they had more money in their pockets, and therefore there were no mass protests. The fact is, however, that people in Serbia are primarily afraid that unrest would turn into bloodshed, and then power would be seized by those who advocate a neofascist and neosocialist dictatorship. That opportunity is being awaited by Dr. Vojislav Seselj, the leader of the Serbian Chetniks, who has already announced that if he comes to power he will introduce a state with equal bellies and a government with a hard hand.

Montenegro

Sanctions Have 'Catastrophic' Effect on Maritime Industry

LD2403113693 Belgrade TANJUG Domestic Service in Serbo-Croatian 0506 GMT 24 Mar 93

[Excerpts] Podgorica, 24 Mar (TANJUG)—According to various estimates in Montenegro, the effects of the international sanctions have been most devastating in the country's maritime industry. The situation in the sector is described as catastrophic.

Out of 40 ships owned by the two main Montenegrin shipping companies (Jugooceanija of Kotor and Prekookeanska of Bar) 38 have been forced to stay outside Yugoslavia.

Fifteen of the ships are "detained" in ports throughout the world and it is very uncertain when they will be allowed to sail again. The remainder are sailing under foreign flags but without the usual right to call in ports in their country of orgin for repair and maintenanace. [passage omitted]

To compensate for the huge losses, Montenegrin shipping companies have been forced to sell two ships. It is feared that several more ships will have to go to help the companies to "survive" in the current situation.

The average "age" of Montenegrin ships is 14 years.

Kosovo

Rugova Says Situation 'Grave' in Republic

AU2303183893 Tirana ATA in English 1138 GMT 21 Mar 93

[Text] Tirana, March 21 (ATA)—The President of the Republic of Kosovo Dr. Ibrahim Rugova, at the press conference held on March 20, called on the Serbs in Kosovo not to respond to the criminal acts of the Belgrade regime against the Albanians in Kosovo. He hoped that as his peace plan was receptive to the diplomatic and state circles of some countries and institutions, the international community will take concrete steps for the peaceful solution to the Kosovo issue.

The situation in Kosovo is grave as repression on the Albanians still goes on, said Dr. Rugova. It is for more than three months that terror keeps increasing under the pretext of arm collection. Even those Albanians who were still employed are being dismissed and many enterprises close down. Arrests of activists of the Albanian

parties and associations is still going on as it was the case with Dr. Zekeria Cana, who was under arrest for two days and the imprisonment of Dr. Ukshin Hoti, political activist and professor of Pristina University, and others.

A new undertaking and a new form of repression were launched over the last two days. The Serb regime is distributing certificates to Albanians of 16-17 years of age to join the Serb Army.

Rugova Insists on UN Protectorate as Best Solution

AU2303184693 Tirana ATA in English 1307 GMT 23 Mar 93

[Text] Tirana, March 23 (ATA)—After the diplomatic tour of the U.S.A., Brussels, Paris, Rome, and Tirana, the President of the Republic of Kosovo Ibrahim Rugova had an interview with the magazine ZERI of Pristina.

"After contacts in the new American administration," Dr. Rugova said, "we saw that the U.S. administration is predisposed to help regarding the question of Kosovo and has an increasing interest in the region. We asked the U.S.A. to prevent the conflict in Kosovo, before it is late. The statement of the U.S. President Clinton favours Kosovo and is an encouragement of the Albanians."

Speaking of the possible conflict in Kosovo, President Rugova said that the Albanians cannot start a conflict in Kosovo because they are completely unarmed and are the most unprotected people. They may be revolted and this can be exploited by Serbia to intervene. The opinions that the Albanians are being encouraged by America to start a war are not serious. Also the Europeans should voice their worry over Kosovo like the U.S.A..

Asked for any comment on his peace plan, President Rugova said that a reliable fact regarding the prevention of the conflict in Kosovo is its placing under the protectorate of the United Nation. This idea is ever more penetrating in the state diplomatic circles of the West and in the UN itself. The question of our election legitimacy was raised but we were part of former Yugoslavia, which is not legal, even Serbia is not internationally recognized. It should also be mentioned that Kosovo was part of the former federation, so it has its legitimacy according to the laws of former Yugoslavia as well as according to international laws. The idea of protectorship would really be a solution which will lead to a solution.

Speaking of the reception for President Rugova in Italy, he said that Italy is awaken and is showing a greater concern for the Albanians and the Balkans. It knows well the Albanian question and the Balkan in general. Now Italy wants to be involved in this question as a member of the West European Union and the NATO and as a power in the region. Perhaps Italy takes more interest in this zone also under the UN mandate, Rugova said, adding that Italy may interfere among Albanians and the Serbs, it will also take interest in these matters because of the economic relations in the region.

The president of the Republic of Kosovo also spoke of the role of NATO in the Balkans and added that it is taking a new role in Europe, but not like in the time of the cold war. I consider the NATO actions as preventive operations in this part of the Balkans. NATO will play a defensive and stabilizing role in the region.

Regarding the NATO relations with Albania, Rugova said that the Republic of Albania will cooperate closely with NATO and by certain it will become its member, but it should also realise some conditions that a member of this pact should realise. "Anyhow, Mr. Rugova said in the interview with ZERI, "it is important that Albania is one of the first Eastern countries having an intensive cooperation with NATO."